MONDAY SPORTS
PROST WINS MONZA
Page 18

International Herald Tribune

Published With The New York Times and The Washington Post

Algeria 8.00 Dn. Israel NIS 3.00 Oman 1.000 Rials
Austria 22 S. Italy 2.000 Lire Portugal 160 Esc.
Bahrain 0.800 Dn Jordan 1 JD Qatar 8.00 Rials
Belgium 50 B.Fr. Kenya Shs 35 Rep. of Ireland 80 P.
Cyprus C£ 0.90 Kuwait 500 Fils Saudi Arabia 7.00 R.
Denmark 11.00 D.Kr Lebanon U.S.$1.10 Spain 150 Ptas
Egypt E.P 3.250 Libya L.Din. 0.60 Sweden 8.00 S.Kr.
Finland 8.50 F.M. Luxembourg 50 L.Fr Switzerland 2.50 S.Fr
France 7.50 F Madeira 165 Esc Tunisia 1.000 Din
Germany 2.70 D.M. Morocco 10.00 Dh. Turkey T.L. 3,300.00
Great Britain £0.65 Netherlands 3.00 Fl. U.A.E. 8.00 Dirh
Greece 150 Dr Norway 9.00 N.Kr U.S. Mil. (Eur.) $0.85
Iran 115 Rials Nigeria 10.00 Naira Yugoslavia 48.000 D

No. 33,140 37/89 ** PARIS, MONDAY, SEPTEMBER 11, 1989 ESTABLISHED 1887

John Swart/The Associated Press

The National Football League Season Is Off and Running

James Brooks of the Cincinnati Bengals, left, striving to pull away from Richard Dent of the Chicago Bears on Sunday. The Bears were among the winners on the first day of the 1989 NFL season. Last year's Super Bowl champions, the San Francisco 49ers, beat the Indianapolis Colts. But a comeback by Dallas stalled; the Cowboys lost to New Orleans. Page 18.

Gorbachev: The Tests to Come

An Impatient Leader Faces the Forces He Unleashed

By Bill Keller
New York Times Service

MOSCOW — A month of Crimean vacation has removed the pallor and strain from the face of Mikhail S. Gorbachev, but he does not sound like a man happy to be back at work.

After an unnerving summer of economic and political stress, the Soviet president knows that this autumn and winter will test, perhaps decisively, his premise that the Soviet people are ready to govern themselves.

He has returned from his annual rest to find his notion of "democratization" increasingly threatened by disorders throughout the realm, especially the head-on collision of communism with nationalism and the continuing disappointments of the economy.

Mr. Gorbachev has always regarded a certain disorder as the price of change, but Saturday night, in his first broadcast remarks upon returning to Moscow, he was clearly, joylessly, a man impatient with the unruly forces he has set loose.

In the coming months, his greatest challenge will be to set the country on a stable course without resorting to the authoritarian methods now being urged upon him — both by conservatives who want to reinstate the old discipline and by some thoughtful liberals who argue that the only way out of the country's predicament is to give

NEWS ANALYSIS

Mr. Gorbachev temporary dictatorial powers.

Mr. Gorbachev's thesis, underlined with urgency in his speech Saturday night, is that people must pay for their new liberties by taking new responsibility.

Instead, the political imperative here seems to be every group for itself, whether it is striking coal miners, independence-minded Balts, or Armenians and Azerbaijanis waging tribal warfare over territory. Pleading historic justice or economic fair play, each demands compensation from the Soviet system, like war reparations.

"Up to now we've had too little talk of work and too much talk of dividing up our blessings," Mr. Gorbachev said. "One might think that *perestroika* can be reduced to the redistribution of some mythical wealth."

His program is now imperiled, he said, by competing ultimatums that have led to the spread of crippling political strikes, ethnic bloodshed and alarmist rhetoric, including "threats of approaching chaos and talk of a threatened coup, and even of civil war."

Mr. Gorbachev contends that the rumors of impending upheaval have been deliberately encouraged by his internal foes, by radicals hoping the ferment will lead to greater leaps forward and by conservatives hoping it will bring back the iron hand.

Indeed, Mr. Gorbachev's position in the Communist Party and government seem solid enough. He has steadily consolidated his hold on the top party leadership by sidelining potential conservative rivals, and has secured control over the parliament that is now the main locus of political debate.

Although the mood of the army and KGB security agency is always enigmatic, they have made reassuring noises of cooperation.

But the rumors of coups and civil war are an accurate barometer of the public anxiety.

History tells the Soviet people that periods of liberalization do not

See SOVIET, Page 5

Budapest Opening Borders

Any of 60,000 East Germans in Hungary Can Go

Reuters

BUDAPEST — Hungary announced Sunday that it would open its borders at midnight to allow tens of thousands of East Germans to leave for the West.

In a brief statement, the government said that it would open its border with Austria for 6,500 East German refugees and that it was ready to allow any of the 60,000 East German tourists in the country to join the exodus if they wanted to.

Hungary thus became the first East-bloc country to help the citizens of another Communist nation go to the West. The mass emigration of East Germans to West Germany will be the largest since the Berlin Wall was built in 1961 to stem the flow across the border.

East Germany swiftly denounced the decision as an "organized trade in humans" and a direct interference in its internal affairs.

The official East German press agency ADN said Hungary had broken valid treaties and agreements in letting the refugees go to Austria.

Refugees waiting in overcrowded camps in Budapest and at Lake Balaton burst into cheers and tears when the news was broadcast.

"We are unbelievably happy, you just can't describe it in words," a 30-year-old man from Potsdam said with a broad grin.

Some refugees set off immediately in their cars for the Austrian border, about three hours' drive away. Austria has said it will lift visa requirements to allow the refugees to go on to West Germany.

The government announcement said the refugees, some of whom have been in the camps for weeks, would be allowed to go to any country that wanted them.

Foreign Minister Gyula Horn speaking on television, said there were some 60,000 East German tourists in Hungary and an increasing number of them wanted to go to the West.

Asked if Hungarian border guards would let them out, he replied: "Without further ado they let them through, and I suppose the Austrians would let them in."

Asked how long it would remain open, Mr. Horn said: "I cannot determine a date, how temporary it will be. One thing is certain, it will be longer than 24 hours."

In Vienna, a spokesman for the Red Cross said 60 buses would be sent to Budapest and Balaton early on Monday to collect some 3,600 refugees. Others would travel in their own cars.

East Germany had insisted that

See GERMANS, Page 5

U.S. Views Prospects as Dim

Rise of Ethnic Unrest Influences Washington Assessment

By Thomas L. Friedman
New York Times Service

WASHINGTON — In the last few months, a feeling has spread through the upper reaches of the Bush administration that the policies of the Soviet president, Mikhail S. Gorbachev, have an increasingly poor chance of success over the long term.

Although President George Bush has repeatedly declared that he wants to see Mr. Gorbachev succeed — and that remains the predominant view within the government — administration officials say that events of the last few months have brought into stark relief the extent of the problems unleashed by Mr. Gorbachev's moves to open up Soviet society.

In particular, they point to the recent miners' strike, the sputtering, empty-shelf Soviet economy and to nationalist unrest in the Baltic republics.

For the first time, officials say, analysts for the CIA, the National Intelligence Council and the Pentagon have begun looking seriously at the implications for the United States of ethnic turmoil in the Soviet Union, caused by the desire openly expressed by non-Russian nationalities to have more self-rule.

NEWS ANALYSIS

Their demands range from more local autonomy to outright secession from the Soviet Union.

The situation in the Baltic republics — Lithuania, Latvia and Estonia, all of which were independent between the world wars — has been the most acute, and prompted an unusually harsh Central Committee warning last month.

A major concern for administration officials is that Baltic nationalists might ignore the warning not to press their separatist demands too far, and thereby force the Soviet leader into a crackdown that would have the same political repercussions in the West as China's suppression of the democracy movement in June in Tiananmen Square.

"It would lead to a fight within the Western alliance as to how harshly we should react," a Soviet specialist in the administration said, "and it would destroy whatever confidence that people were starting to have in Gorbachev. We

See GORBACHEV, Page 5

Kiosk

164 Missing As Romanian Vessel Sinks

BUCHAREST (UPI) — A Romanian passenger vessel carrying 182 people collided with a Bulgarian tugboat and sank Sunday on the Danube in Romania, and 164 people were listed as missing, the Romanian press agency Agerpres said.

The agency said the collision took place near Galati, about 200 kilometers (125 miles) northeast of Bucharest and near the Soviet border. It said there were 169 tourists and 13 crew members aboard the boat but gave no other details.

The Bulgarian news agency, BTA, monitored in Vienna, said the collision between the Romanian passenger ship Mogoshoaja and the Bulgarian tug Pita Karaminchev occurred in "reduced visibility." The dispatch said the Romanian ship "turned over and sank" quickly after the accident.

The Romanian president, Nicolae Ceausescu, formed a special government commission to investigate the disaster. Bulgarian authorities were assisting in the investigation.

MONDAY Q&A

Reuters

Satsuki Eda, leader of Japan's Social Democrats, will tell U.S. officials about new political trends. Page 2.

Business/Finance

EC ministers took a step toward monetary union, but did not end differences over a single currency. Page 13.

Crossword Page 5.

A Chinese Sister's Betrayal: Did She Really Turn In Brother?

By Nicholas D. Kristof
New York Times Service

XIAN, China — One of the most searing images of the crackdown on the democracy movement in China was the scene of a young woman being praised on national television for turning in her younger brother to the police for his role as a student leader.

The student leader, Zhou Fengsuo, had fled to his sister's home in this city in central China, hoping to avoid arrest.

The television footage related that the sister and her husband allowed him to stay with them, but then on June 13 reported him.

The incident was widely regarded as a symbol of the relentlessness and ferocity of the crackdown.

It recalled the Cultural Revolution, when Red Guards denounced their parents as counterrevolutionaries. It provoked soul searching among Chinese intellectuals, who pondered how, in a society where family ties have traditionally been so important, someone could deliver her own brother to the police.

The answer may be that she didn't.

The word in the city where it happened is that the sister, Zhou Wenrong, did not intend to alert the police. Moreover, it seems that the vast majority still do regard family ties as paramount, for Miss Zhou has become a pariah.

The account circulating here is that Miss Zhou confided to her boss in the hope that he could persuade the young man to turn himself in. It was the boss who notified the police.

Mr. Zhou was shown on television in handcuffs that evening, but there has been no more news. Most knowledgeable Chinese doubt that he would be sentenced to death, but they say a sentence of 10 years to life could well be handed down for student leaders at his level.

"She just meant to get her brother some counseling," a 39-year-old worker said. "All the neighbors knew he was staying here, and she was afraid one of them would report him. That would have been terrible for her career and her husband's, so she wanted Zhou Fengsuo to turn himself in."

If all the neighbors did indeed know that Mr. Zhou was staying with the family, but did not report him, that suggests a surprising lack of cooperation with authority. It is the opposite of the impression that the rulers were trying to convey.

Those accounts are impossible to confirm. The authorities refused a request to interview Miss Zhou, saying she was ill.

Nevertheless, nearly everyone here gives the same account of what happened. Likewise, contempt and dislike for Miss Zhou seem widespread.

"Everybody hates her," a woman in her early 30s said. "She is afraid to go out on the street because of all the threatening letters she has re-

See CHINA, Page 5

Awaiting a Backlash From Daimler-MBB

By Richard E. Smith
International Herald Tribune

FRANKFURT — The waves created by the "marriage of the elephants," as people have dubbed the newly approved takeover by Daimler-Benz AG of Messerschmitt-Bölkow-Blohm GmbH, are likely to spread quickly beyond West Germany.

At home, the decision Friday by Economics Minister Helmut Haussmann to sanction a takeover that will create West Germany's largest company was destined, as expected, to offend nearly everyone. A variety of economic and political interests are unhappy about a concern that will have sales of 80 billion Deutsche marks ($40.3 billion) and 380,000 employees.

Overseas, meanwhile, governments and competitors will be quick to point out that the new giant will continue to benefit from controversial government subsidies.

It was to spare the West German taxpayer from a growing hemorrhage of subsidies that Franz Josef Strauss, the former Bavarian political leader, began a search as long ago as 1985 to find a commercial company willing and able to take on the government's troublesome stake in Airbus Industrie, the European aircraft consortium.

The merged giant will assume that stake.

Opposition Social Democrats and Greens have been sworn enemies of the project from the beginning. Small businessmen, the core constituency of Mr. Haussmann's own Free Democratic Party, fear being overwhelmed by the new giant. Unions fear labor cutoffs or dislocations. Daimler-Benz and MBB, in early reactions, have given the impression that Mr. Haussmann has attached too many conditions to his approval of the deal.

NEWS ANALYSIS

So far, Mr. Haussmann has been spared criticism from abroad; but it is probably only a matter of time.

Foreign aeronautics companies will in all likelihood face not only a much larger and richer West German player, but probably a more assertive one, and one which will still benefit from key government subsidies.

Future friction is likely to focus on West German involvement in the Airbus project, hardly a strange to controversy in its almost two decades of existence.

Airbus Industrie is a consortium held by West German, French, British and Spanish interests that has long been plagued by losses, but has nevertheless emerged as a competitor of growing skill and success in recent years.

That success has made the United States, home to the world's largest commercial aeronautics establishment, uncomfortable and vocal in its complaints that Airbus is unfairly protected by a range of state subsidies.

The United States has taken particular aim at a West German subsidy program in which Bonn guarantees protection against foreign-exchange losses until the end of the century for West German participants in Airbus.

Many observers had expected Mr. Haussmann to at least curtail — if not cancel — the subsidy program in order to partially appease Washington, but the program was left intact.

Mr. Haussmann stressed that he had taken another route to begin to wean Airbus away from subsidies. He ruled that the new German company will have to assume the government's 20 percent stake in Deutsche Airbus GmbH, the firm which holds the West German participation in the consortium, a year ahead of previous plans.

Deutsche Airbus is already controlled by MBB and, as a result of the minister's ruling, will pass entirely into the books of the new company at the end 1996. The loss-making Airbus consortium has long been an albatross both for MBB, whose performance has suffered for years due to Airbus involvement, and for the West German taxpayer.

At a press conference on Friday, Mr. Haussmann said that his ruling showed that "we are on the way" to satisfying U.S. fears and cutting back government subsidies.

But the United States is not likely to be either satisfied or silent.

Although Boeing Co. and McDonnell Douglas Corp. declined to comment on Mr. Haussmann's moves, the U.S. reaction will no doubt be made clear when the trade representative, Carla A. Hills, visits Bonn on Friday as part of a European tour.

Clayton K. Yeutter, the former

See MBB, Page 17

The Associated Press

An East German refugee folding up her belongings Sunday at the Zugligat camp in Budapest.

Checking Libya's Ice Cream Gauge

By Alan Cowell
New York Times Service

TRIPOLI, Libya — When people explain how change has come to Libya, the talk sometimes turns to ice cream.

In the dark days, people say, before Colonel Moammar Gadhafi backtracked on dogma and unfettered his land's urge for capital, there was no ice cream, no sidewalk cafes to eat it in, no stores to stroll by on the Mediterranean sidewalks when the day's work was done.

And, they say, the shelves of the state-run stores ran bare, and life was so tough that the grumblings reached the leader himself.

And he acknowledged that things would have to change in a manner that was not foreseen when he placed most trading in the hands of the state in pursuit of an Arab socialist ideology.

So the import rules were eased. Small, private stores rolled back long-drawn shutters; the arcaded souk, or market, reopened to commerce in bolts of cloth and gold and suitcases and gewgaws.

These days, a Libyan official said with pride, he was able to purchase an ice cream at 2 A.M. from a cafe. "Have you noticed," a foreign resident said, "you can get ice cream pretty much anywhere in Tripoli now?"

Of such frail strands, it seems, is hope entwined in this land ruled for two decades now by Colonel Gadhafi in the name of his Third Universal Theory, compared by its ideologues to Christianity and Islam so that the Libyan leader is cast by association as a latter-day Jesus or Mohammed.

The Third Universal Theory holds that true democracy is denied by the existence of political parties and can only be attained by the rule of the masses through People's Congresses.

"Christianity was started by Jesus in Nazareth," said Ibrahim Abu Kzam, deputy secretary general of the General People's Congress. "At that time, people rejected Jesus and Christianity and said nothing could come from a community like that. The same is true of Islam. The people thought it was impossible be-

See LIBYA, Page 5

Cambodian Refugees in Despair

By Keith Richburg
Washington Post Service

SITE 2 REFUGEE CAMP, Thailand — Last Sunday, a resident of this Cambodian refugee camp had an argument with her husband when he forbade her to gamble with her friends. The dispute was settled when the wife grabbed an axe and drove it into her husband's chest.

Camp administrators and relief agency workers say the incident was unusual only because of the genders of the attacker and the victim. More typically, women are the victims of domestic abuse.

The rising incidents of violence, including spouse abuse and suicide attempts, are symptomatic of the frustration and despair felt by the 143,000 Cambodians in the cramped and dusty camp, many of whom have lived in it for a decade. Some relief workers said the level of violence rises and falls on the state of the Cambodian peace process.

With that process stalled after the collapse of the Cambodian peace conference in Paris last month, and with the likelihood of more war in Cambodia, the refugees' hopes for a return soon to their homeland have again been dashed and the relief workers fear an upsurge of violence.

"It happens almost every day," said an international relief agency official in the nearby Thai border town of Aranyaprathet. "People putting axes into each other is quite common.

"It's the psychological pressure," he said. "People have nothing to do, no aim. It's like the situation in an American slum where people with nothing to do are living very close together."

"During the Paris talks, the level of violence was very, very low," he continued. "It has taken up now these last couple of days. There are many, many more incidents than before."

Lay Khek, one of the senior administrators for the central part of the Site 2 camp, said: "People get upset because there's nothing they can do about the situation."

He said the biggest problem was "domestic violence, with axes, knives, sometimes hand grenades."

There are also other signs of despair. Alcoholism is increasing and gambling has become a cause of fighting and sometimes murder. Relief workers also said

See CAMPS, Page 5

Japanese Socialist Visiting U.S. to Describe New Directions

Satsuki Eda is president of Japan's United Social Democrats, a small but influential opposition party, and is respected as a commentator by politicians across the political spectrum. Over the weekend he began a trip to Washington that will include talks with Senate and House members as well as administration officials. Patrick L. Smith of the International Herald Tribune spoke with Mr. Eda, the most senior opposition leader to visit Washington since the governing Liberal Democratic Party lost legislative elections in July, shortly before his departure.

Q. What do you hope to accomplish on your trip to Washington?

A. Japanese politics are now changing drastically. I'm sure Congress and the administration are interested in what will happen in Japan after the next general election, due before mid-1990. I'd like to explain what the opposition parties are now going to do, to begin offering Washington an explanation of ourselves to the United States. The concern is the direction of relations between the United States and the new Japanese government.

Q. And what will you tell them?

A. A change of power is at last foreseeable in Japanese politics, and the major part of the opposition is the Japan Socialist Party. Twenty years ago, or even 10, the Socialists might have been regarded as pro-Soviet or pro-Chinese. But we've asked them to change and they have. A coalition government with a Socialist majority will maintain Japan's position in the free world. Of course, we have many aims that differ from today's administration. But we will try to maintain a good fundamental relationship with the United States.

MONDAY Q&A

●

Q. How do you interpret the July results? Many commentators believe voters want a choice between two essentially conservative parties, not between a conservative and a socialist party.

A. People clearly rejected the Liberal Democrats, but it is rather difficult to say this is a victory for the Socialists. Voters want a choice between LDP and non-LDP, but non-LDP does not equal Socialist.

●

Q. Liberal Democrats say privately, "we are protectionist, but the Socialists are much worse." Do you agree?

A. No, I don't agree. The Socialists are very conservative in a sense. They are always claiming to protect something — the constitution, the state corporations. In this way they are "protectionist." But as far as the Socialist Party is concerned, the task is to change the fundamental structure of society.

What do I mean by fundamental structure? For one thing the so-called *keiretsu*, organizations that are integrated vertically, with a bank at the top and under that many affiliated companies and subcontractors. Japan is a very tight-knit society, which is to the detriment of foreign investors who want to enter the Japanese market.

This is what the Socialists and other opposition parties are now challenging — to change this sort of solid, conservative social structure and change society into an internationally acceptable social structure. You cannot call this protectionism.

Q. What should we expect of Japan in coming months and years? The Socialists won on a platform that would essentially turn the clock back on questions of agricultural reform and market opening of various kinds.

A. Agricultural policy is not settled among the Socialists or other opposition parties. It's a delicate and difficult policy question. I myself think that we cannot open our rice market to foreign countries. But that doesn't mean we are protectionist with regard to other farmers.

The LDP's system of agricultural subsidies has led farmers to lose their vitality and require very high prices for Japanese farm products. The opposition intends to reform rural society as well. What is needed is to foster the full-time farmer and persuade our many part-time farmers to abandon farming. That sort of social change is badly needed. We are beginning to discuss policy on this matter. I would like to ask the Americans for, say, six years.

Q. More broadly, what should the Americans expect in terms of progress on outstanding trade issues? Let's not talk in terms of an opposition government. Let's talk in terms of an LDP government and a stronger opposition, such as we have now. Will progress on trade issues, already rather slow, decline further? The elections seemed to show that the LDP was moving too quickly on these matters.

A. That is one perspective, but I construe things differently. The LDP is so closely connected with vested interests — the situation with regard to farmers is one example — that their effort to solve disputes with the United States and other countries has been a lukewarm, bit-by-bit process. They have too much interest in the existing economic structure to change it. That won't change because there's a strong opposition. If we are successful in the next elections, I think the opposition could help solve international problems more rapidly.

The opposition will prove itself more resourceful in altering the Japanese social structure and in solving economic problems than the Liberal Democrats.

Labor Party Share Expected to Slip As Norway Begins 2 Days of Voting

By Steven Prokesch
New York Times Service

OSLO — The Labor government's austerity policies, an unemployment rate that is high by local standards, and the long waits for other than emergency care in the socialized medical system were the top issues as Norwegians began voting Sunday in two-day parliamentary elections.

Such complaints help explain the surge in popularity of the Party of Progress, a conservative group that advocates slashing taxes and the role of government.

Polls suggest that the party, led by Carl I. Hagen, 45, would win 16 percent or so of the vote, compared with 3.7 percent in the last national elections in 1985. That would make it the third-largest party and could give Mr. Hagen a pivotal role in choosing the next prime minister.

While a nonsocialist government might open up the health care system more to the private sector, virtually nobody expects radical changes.

[Flags flew at half-staff and polling stations reported low initial turnouts as balloting began for voters who live in the remote regions of the country, United Press International reported from Oslo.

[Voting was largely overshadowed by the crash off Denmark on Friday of a charter plane owned by the Norwegian company Partnair, killing 55 people. The accident prompted all political parties to cancel campaigning in the final days of the election.]

In this country of 4.2 million and a dozen parties, minority or coalition governments have long been the norm. A coalition government led by the Labor prime minister, Gro Harlem Brundtland, has led Norway since 1986.

While Labor is widely expected to remain Norway's biggest party, its popularity has been declining. Recent polls suggest it will receive about a third of the vote, down from 40.8 percent four years ago.

Norwegians are proud of Mrs. Brundtland's international standing. An environmental activist, she headed a UN environmental committee. She has also been mentioned as a candidate to be the next UN secretary-general.

Economists give Mrs. Brundtland, 50, who is a physician, high marks for putting Norway's economic house in order.

In the 1970s and 1980s, the wealth from North Sea oil set off a spending boom that in turn ignited inflation and caused borrowings from abroad to soar. Earlier attempts to cool the overheated economy had limited success, and the budget surplus with other nations quickly turned into a worrisome deficit when oil prices plunged in 1986.

Although a socialist, Mrs. Brundtland acted like a fiscal conservative. She raised taxes, cut subsidies to industry, held down wage increases and devalued Norway's currency. These measures have reduced inflation to below 5 percent, from 10 percent, and economists expect the country's account to return to the black this year.

■ Investigators Scour Sea

Investigators continued searching Sunday to discover why a Norwegian charter aircraft crashed into the sea off Denmark, killing all 55 people on board, Reuters reported from Copenhagen. Most of the victims were employed by the Wilhelmsen Line shipping company of Norway.

Reuters

Mrs. Brundtland announcing that all political parties had decided to cancel campaigning because of the Norwegian plane crash.

"We believe something happened to the plane very suddenly, but it doesn't need to be a bomb," a spokesman for the rescue center at Karup, in Jutland, said. "It could be the plane lost a wing or an engine exploded."

The police said that doctors had found no burn marks on any of the bodies recovered so far. Asked if this ruled out the possibility of a midair explosion, a police officer said, "It's too soon to tell."

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Academic, Life Experience.
Send detailed resume for free evaluation
PACIFIC WESTERN UNIVERSITY
600 N. Sepulveda Blvd., Los Angeles, California. 90049 Dept. 23, U.S.A.

TO: MR. SALVATORE
Your demands cannot be settled without direct negotiation. Contact our authorized special adviser in this matter. He will meet with you, anywhere, anytime, on your terms.
Please call: MR. SAMUEL
Tel.: 00/972/2/720.784
Fax: 00/972/2/716.765

Bush Aides Erred About Soviet Goal In Kabul

By David B. Ottaway
Washington Post Service

WASHINGTON — The Bush administration seriously miscalculated Mikhail S. Gorbachev's intentions in Afghanistan after the withdrawal of the last Soviet troops there in February. It did not believe he intended to make a major military and political commitment to the survival of the Kabul government, according to a senior administration official.

Moscow has conducted a huge airlift of arms and supplies in a so far successful effort to keep Major General Najib's government in power.

The "mind set" in the administration, the official said, had been that the Kabul government lacked staying power and legitimacy and that Mr. Gorbachev would accept its rapid demise in the name of better relations with Washington and a policy of general retrenchment in Soviet involvement in Third World conflicts.

U.S. officials have been particularly surprised by the amount of money the economically strained Soviets have been willing to spend to sustain General Najib. U.S. analysts have estimated that Soviet arms shipments have been worth $200 to $300 million each month since January.

The senior U.S. official, who spoke on condition that he not be named, said that there was "some miscalculation" by the Central Intelligence Agency about the amount of arms the Afghan resistance would need, partly because of the "projected rapid demise" of the Kabul government and partly due to the unanticipated major Soviet arms airlift.

But the official vehemently contested congressional allegations that an acute shortage of arms in the spring and early summer was the principal reason for the recent poor military performance by the resistance.

"There were lots of reasons," he said. He said that to ascribe the current situation in Afghanistan to "alleged miscalculations" in U.S. military support "is just not right and is not substantiated."

He cited not only the huge Soviet arms supply to the Kabul government but also various political and military problems encountered by the U.S.-armed Afghan resistance.

The senior U.S. official said he saw several possible explanations for Mr. Gorbachev's expanding commitment to the survival of the Kabul government, including its early military successes on its own against the Afghan resistance, the existence of "an Afghan lobby" inside the Kremlin, and concern about seeing an expansionist Islamic fundamentalist state set up on Soviet borders.

"The Soviets may also have calculated that by putting in a big amount they could scare us out of the game," he said.

"If that is what they think, then they have miscalculated," he said. "From all the sounding I've seen the great preponderance of Congress that is involved in this issue continues to support the U.S. effort."

■ Ex-King Ready for Role

Zahir Shah, the deposed former king of Afghanistan, says he is ready to go home and help lead a new interim government, a role that the United States and Pakistan appear increasingly willing to consider, The Washington Post reported from Rome.

In an interview, Zahir Shah, 74, said his comeback could contribute to a peaceful and stable Afghanistan. He appeared eager to put distance between himself and the Soviet-backed regime of General Najib, despite Soviet efforts to court him over the years.

The first step toward a new and more stable government, Zahir Shah said, would be to hold a *loya jerga*, the traditional Afghan assembly of tribal notables, which he called the highest political authority in the Afghan tradition.

In Washington, The New York Times reported that a State Department official said a diplomat from the U.S. Embassy in Rome and a department official from Washington had visited the exiled king at his home outside Rome in the past two weeks to see if he could play a role in an interim government.

Record Fires Char a Wide Area in Spain

New York Times Service

MADRID — After one of the driest winters this century and a hot, parched summer, Spain is experiencing one of its worst seasons of forest fires, the National Institute for Nature Conservation reports.

Unexpectedly, it is the northern Atlantic seaboard of "green Spain," stretching eastwards from Galicia to the Basque country, that is suffering most.

Galicia, normally the wettest and coolest region in the country, accounts for 50 percent of the fires this year and over 30 percent of land destroyed. Over the weekend, nearly 200 fires were reported in Galicia, with over 100 in the province of Coruña alone.

After the Atlantic seaboard, the regions of Madrid and Avila, followed by Andalusia and Valencia, have registered the greatest number of fires.

Figures through Aug. 27 show that 11,420 fires have destroyed 220,000 hectares (547,000 acres) since January. Over the same period last year, 3,392 fires damaged 37,000 hectares.

Fierce heat and severe drought, which were broken this past week by storms and torrential rains, are partly the reasons for the rise in forest fires, which has also occurred in other parts of the Mediterranean region, including Sardinia, the French Riviera, Corsica, and Greece. But only 4 percent of all fires in Spain are actually attributed to natural or accidental causes.

Officials at the National Institute for Nature Conservation said that in Galicia especially, dangerous and obsolete agricultural practices such as the burning of brushland or pastures at winter's end, are a principal cause.

Before the high season began on June 30, over 40,000 hectares had already been consumed by fire, mostly in the north, and seven people had been killed.

Arson is another prime cause. The settling of accounts by setting fire to a neighbor's land is common practice in Galicia, as is the burning of forests by potential buyers who hope to pay less for the fire-damaged timber.

MEMORIAL NOTICE

In honor of
James M. MARKHAM
7th March. 1943 - 9th August. 1989
of
The New York Times
A service will be held
at the American Cathedral
23 Avenue George-V, Paris VIII. France
on Thursday, September 14th
at 12 o'clock

WORLD BRIEFS

Carter Says Ethiopians Discuss Truce

ATLANTA (NYT) — Representatives of the Ethiopian government held a meeting here with an Ethiopian rebel group and discussed the possibility of a cease-fire, according to former President Jimmy Carter.

Mr. Carter, who is acting as a mediator in talks between the Ethiopian government and the Eritrean People's Liberation Front, said over the weekend that he had discussed a possible truce separately with the leaders of both negotiating teams and raised the issue again Saturday when both sides were together.

"My hope is that if we are successful here in Atlanta," he said, "it will send clear signals to Ethiopian and Eritrean people back home, and that the sides will either take joint action or unilateral action to demonstrate good faith and to have some confidence-building measures."

Gorbachev to Meet Pope at Vatican

ROME (Reuters) — President Mikhail S. Gorbachev of the Soviet Union will travel to Italy in November for a visit that will include the first meeting between a Kremlin leader and a pope, the Soviet ambassador to to Italy announced Sunday.

Speaking on Italian radio, Ambassador Nikolai Lunkov said that Mr. Gorbachev's visit to Italy, which has been postponed several times in the last few years, would take place in the second half of November. Asked if the trip would include a visit by Mr. Gorbachev to Pope John Paul II at the Vatican, Mr. Lunkov said: "Yes, and why not?"

The meeting would be a major step toward a trip to the Soviet Union by the pope, who has often expressed a desire to visit Catholic areas like the Ukraine and Lithuania. In a letter to the pope last month, Mr. Gorbachev expressed readiness for improvements in Soviet-Vatican ties.

Hong Kong Evacuates Ill Vietnamese

HONG KONG (AP) — The government evacuated 2,500 Vietnamese refugees from an outlying island Sunday amid an outbreak of cholera there, officials reported. The detention center had earlier been the scene of a riot. Officials said the Vietnamese were moved from Tai A Chau island to a nearby island that in the past was a leper colony. Another 2,000 will be evacuated on Monday, officials said.

So far, 21 Vietnamese have been confirmed as suffering from cholera. All were reported in satisfactory condition. The government began to put newly arrived refugees on the island in June in an emergency measure to cope with increasing arrivals. More than 55,000 Vietnamese refugees are in camps in Hong Kong, awaiting resettlement or repatriation.

In another development, several thousand residents in the rural New Territories held a demonstration Sunday, calling on the Hong Kong government to stop letting Vietnamese refugees land. No violence was reported during the three-hour demonstration, the police said.

Prime Minister of Algeria Dismissed

NICOSIA (NYT) — A potentially volatile confrontation was averted in Algeria on Sunday when Kasdi Merbah agreed to give up his job as prime minister after an act of defiance on Saturday in which he refused to step down after his dismissal by President Chadli Bendjedid.

Mr. Merbah said Sunday that he did not intend to defy a direct order to leave his post by President Bendjedid. But he said the Algerian constitution was unclear on whether the president had the right to dismiss him without a vote of no confidence from the National Assembly first.

President Bendjedid issued an order "terminating Mr. Merbah's functions" and those of the entire cabinet that he had appointed in November with a mandate to carry out major political and economic change. The move followed riots in October protesting food shortages and widespread unemployment. President Bendjedid appointed one of his closest aides, Mouloud Hamrouche, who occupies the position of secretary general of the presidency, to head a new government.

Chinese Detainees Are in Secret Jail

BEIJING (UPI) — Student leaders and intellectuals arrested in the crackdown on democracy are jailed at a secret prison outside Beijing, where cells are cramped and outside contact is banned but abuse is infrequent, Chinese sources say.

Other detainees, however, mostly workers arrested for violent crimes, have been confined in overcrowded local jails, according to the sources. Many have been beaten, although reports of mistreatment have diminished, they said.

The sources, including Chinese with security agency contacts, asked not to be identified and expressed fear of reprisal. They estimated that 6,000 had been arrested in Beijing alone between the crackdown June 3 and the end of July. Arrests have continued, they said, in part because some detainees informed on other people in hope of leniency. Western diplomats estimate 10,000 to 30,000 arrests across the country.

TRAVEL UPDATE

Australia Air Crews Reject Charters

SYDNEY (Reuters) — Prime Minister Bob Hawke assailed Australia's 3,000 flight attendants Sunday for voting against a return to work on foreign charter planes drafted in to ease the backlog caused by a three-week domestic pilots' dispute.

At mass meetings late Saturday, members of the Australian Flight Attendants' Association voted overwhelmingly against staffing the two U.S. and three Spanish Boeing 737s that have been chartered. It is estimated that the strike is costing the country's two largest domestic airlines, Ansett and Australian Airlines, 15 million Australian dollars (about $11.5 million) a week.

The Federal Aviation Administration will order exhaustive inspections of all DC-10 engines as a result of a July crash in Sioux City, Iowa, that killed 112 people, an agency official said. *(AP)*

Sabena flight attendants resumed a slowdown strike Sunday, showing up for work two hours late and leading the Belgian airline to cancel at least 10 flights out of Brussels, airport officials said. On Saturday, Sabena pilots joined the movement for the first time, holding a 24-hour strike and leading the airline to cancel 30 flights. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Belize, Chile, Ethiopia, Pakistan.
TUESDAY: Ethiopia, Guinea-Bissau.
THURSDAY: Nicaragua, South Korea, Sri Lanka, Taiwan.
FRIDAY: Costa Rica, El Salvador, Guatemala, Honduras, Hong Kong, Japan, Macao, Mexico, South Korea.
SATURDAY: Mexico, Papua New Guinea.
SUNDAY: Angola.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	20	68	15	59	cl
Athens	29	84	22	72	fr
Barcelona	25	77	17	63	fr
Belgrade	23	73	14	57	fr
Berlin	22	72	14	57	cl
Brussels	23	73	14	57	cl
Budapest	23	73	14	57	cl
Copenhagen	20	68	12	54	cl
Costa Del Sol	30	86	18	64	fr
Dublin	15	59	11	52	sh
Edinburgh	14	57	8	46	cl
Faro	24	79	14	57	fr
Florence	28	73	15	59	fr
Frankfurt	23	73	12	54	cl
Geneva	23	73	10	50	fr
Helsinki	16	61	7	45	cl
Las Palmas	28	82	21	70	fr
Lisbon	22	72	16	61	fr
London	17	63	3	38	cl
Luxembourg	22	72	13	55	cl
Madrid	25	77	14	57	fr
Milan	18	64	15	59	cl
Moscow	20	68	13	55	cl
Munich	18	64	7	45	cl
Nice	25	77	16	61	fr
Oslo	17	63	7	45	fr
Paris	24	75	17	63	fr
Prague	21	70	8	46	fr
Reykjavik	10	50	5	41	cl
Rome	24	75	17	63	fr
Stockholm	14	57	8	46	cl
Strasbourg	23	73	12	54	fr
Venice	28	82	15	59	fr
Vienna	21	70	10	50	cl
Warsaw	21	70	13	55	cl
Zurich	22	72	14	57	cl

MIDDLE EAST

Ankara	26	79	6	43	fr
Cairo	32	90	21	70	fr
Istanbul	26	79	19	66	fr
Jerusalem	25	77	17	63	fr
Tel Aviv	29	84	19	66	fr

OCEANIA

Auckland	—	—	—	—	no
Sydney	29	84	19	66	cl

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	25	77	th
Beijing	32	90	21	70	fr
Hong Kong	32	90	27	81	th
Manila	32	90	25	77	th
New Delhi	37	99	27	81	fr
Seoul	29	84	20	68	sh
Shanghai	27	81	22	72	sh
Singapore	32	90	24	75	th
Taipei	32	90	23	73	th
Tokyo	30	86	25	77	fr

AFRICA

Algiers	29	84	19	66	cl
Cape Town	22	72	8	46	cl
Casablanca	25	77	20	68	fr
Harare	29	84	17	63	fr
Lagos	29	84	23	73	th
Nairobi	24	75	12	54	th
Tunis	32	90	22	72	cl

LATIN AMERICA

Buenos Aires	21	70	8	46	cl
Lima	—	—	—	—	no
Mexico City	23	73	12	54	th
Rio de Janeiro	32	90	22	72	cl

NORTH AMERICA

Anchorage	19	66	12	54	pc
Atlanta	32	90	22	72	fr
Boston	29	84	18	64	fr
Chicago	28	82	18	64	th
Denver	31	88	17	63	th
Detroit	28	82	14	57	th
Honolulu	31	88	25	77	fr
Houston	34	93	24	75	th
Los Angeles	24	75	17	63	pc
Miami	31	88	25	77	th
Minneapolis	27	81	14	57	th
Montreal	27	81	16	61	th
Nassau	34	93	27	81	th
New York	30	86	21	70	fr
Phoenix	39	102	27	81	fr
San Francisco	22	72	12	54	pc
Seattle	24	75	12	54	pc
Toronto	27	81	19	66	th
Washington	32	90	22	72	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Cloudy. Temp. 22 — 72 (72 — 54). LONDON: Overcast. Temp. 16 — 14 (61 — 57). MADRID: Cloudy. Temp. 25 — 28 (75 — 82). NEW YORK: Cloudy. Temp. 30 — 20 (86 — 68). PARIS: Cloudy. Temp. 24 — 18 (72 — 64). ROME: Cloudy. Temp. 23 — 18 (72 — 64). TEL AVIV: Not Available. ZURICH: Cloudy. Temp. 20 — 13 (68 — 55). BANGKOK: Showers. Temp. 34 — 25 (93 — 77). HONG KONG: Fair. Temp. 33 — 28 (91 — 82). MANILA: Rain. Temp. 28 — 24 (82 — 75). MOSCOW: Cloudy. Temp. 26 — 19 (79 — 66). SINGAPORE: Cloudy. Temps. 27 — 24 (81 — 75). SEOUL: Fair. Temps. 31 — 24 (88 — 75). TOKYO:

FRENCH COMPANY HANDBOOK 1989

Now in the 1989 completely revised and updated edition, 200 pages of indispensable information in English on a selection of 88 of the most important French companies, as well as basic facts on other major firms. Includes information on the French economy and major sectors of activity, an introduction to the Paris Bourse, and a bilingual dictionary of French financial terms.

Each profile includes detailed information on: head office, management, major activities, number of employees, sales breakdown, company background, shareholders, principal French subsidiaries and holdings, foreign holdings and activities, exports, research and innovation, 1983-1987 financial performance, 1988 financial highlights and 1988/1989 important developments, strategies and trends.

Indispensable for corporate, government and banking executives, institutional investors, industrial purchasers and other decision-makers who should be more fully informed on major French companies. French Company Handbook 1989 is being sent to 8,000 selected business and financial leaders in the United States, Japan, Southeast Asia, China, the Middle East and Western Europe.

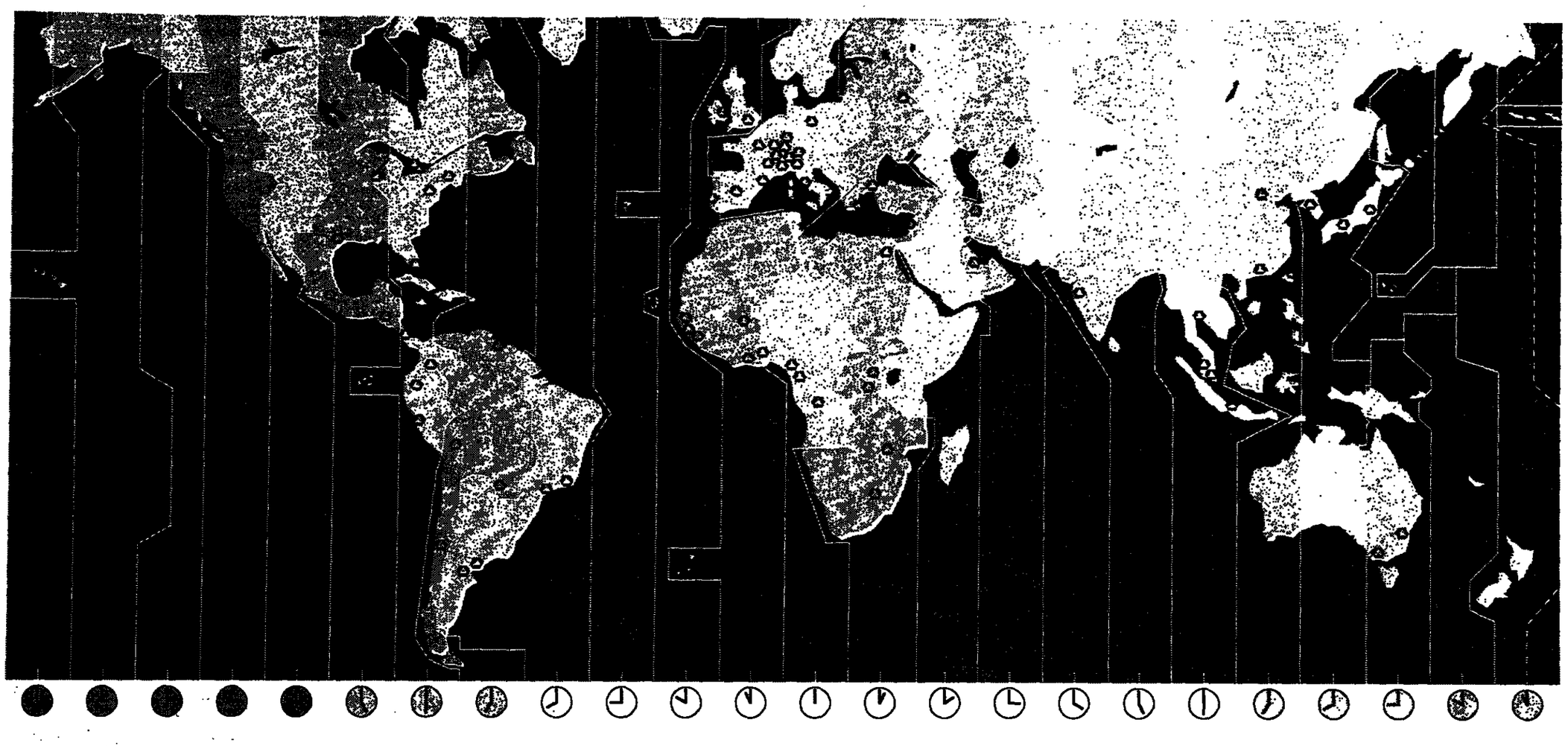
Other interested parties may purchase the Handbook at $59.50 per copy, including postage in Europe. Three or more copies, 20% reduction. Outside Europe, please add postal charges for each copy: Middle East, $4; Asia, Africa, North and South America, $7.

ACCOR
AÉROPORTS DE PARIS
AEROSPATIALE
AIR FRANCE
L'AIR LIQUIDE
ALSTHOM
ATOCHEM
BAFIP
BANQUE INDOSUEZ
BANQUE NATIONALE DE PARIS-BNP
BANQUES POPULAIRES
BÉGHIN-SAY GROUP
BSN
GROUPE BULL
CAISSE NATIONALE DES TÉLÉCOMMUNICATIONS (CNT)
CAP GEMINI SOGETI
CARNAUD
CEA-INDUSTRIE
CERUS
CGEE ALSTHOM
CGIP (COMPAGNIE GÉNÉRALE D'INDUSTRIE ET DE PARTICIPATIONS)
CGM GROUP
CHARGEURS S.A.
CLH-COMPAGNIE LA HÉNIN
CLUB MÉDITERRANÉE
COGEMA
COMPAGNIE DU MIDI
COMPAGNIE FINANCIÈRE DE CRÉDIT INDUSTRIEL ET COMMERCIAL-CIC GROUP
COMPAGNIE FINANCIÈRE DE SUEZ
COMPAGNIE GÉNÉRALE D'ÉLECTRICITÉ (CGE)
COMPAGNIE GÉNÉRALE DES EAUX
CRÉDIT AGRICOLE
CRÉDIT COMMERCIAL DE FRANCE (CCF)
CRÉDIT D'ÉQUIPEMENT DES PME-CEPME GROUP
CRÉDIT LOCAL DE FRANCE
CRÉDIT LYONNAIS
CRÉDIT NATIONAL
CROUZET
DASSAULT
DOCKS DE FRANCE
DUMEZ
ELF AQUITAINE
EMC-ENTREPRISE MINIÈRE ET CHIMIQUE
EPÉDA-BERTRAND FAURE
ESSILOR
FRAMATOME
GMF GROUP (GARANTIE MUTUELLE DES FONCTIONNAIRES)
GROUPE DES ASSURANCES NATIONALES (GAN)
HAVAS
IBM FRANCE
IMETAL
LAFARGE COPPÉE
LEGRAND
L'ORÉAL
LVMH MOËT HENNESSY LOUIS VUITTON
LYONNAISE DES EAUX
MICHELIN
ORKEM
PECHINEY
PERNOD RICARD
PEUGEOT S.A.
POLIET
PRINTEMPS GROUP
LA REDOUTE
RHÔNE-POULENC
ROUSSEL UCLAF
SAINT-GOBAIN
SALOMON
SANOFI
SCHNEIDER
SCOR
SEB GROUP
SEITA
SGE GROUP-SOCIÉTÉ GÉNÉRALE D'ENTREPRISES
SILOS
SNECMA
SOCIÉTÉ GÉNÉRALE
SODEXHO
SOMMER ALLIBERT
SPIE BATIGNOLLES
TELEMECANIQUE
THOMSON
TOTAL-COMPAGNIE FRANÇAISE DES PÉTROLES
UNION DES ASSURANCES DE PARIS (UAP)
USINOR SACILOR
VALEO
VALLOUREC
VICTOIRE GROUP

Herald International Tribune
FRENCH COMPANY HANDBOOK 1989
Published by International Business Development with the International Herald Tribune

International Herald Tribune, Book Division
181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.
Please send me _____ copies of French Company Handbook 1989.
☐ Enclosed is my payment. Payment may be made in any convertible European currency at current exchange rates.
☐ Please charge to my credit card: ☐ Visa ☐ Diners ☐ Amex ☐ Eurocard ☐ Access ☐ MasterCard
CARD NUMBER _____ EXP. DATE _____
SIGNATURE _____ (necessary for credit card orders)
NAME (in block letters) _____
POSITION _____
COMPANY _____
ADDRESS _____
CITY/COUNTRY/CODE _____ 11-9-89

We have got all the time in the world for you.



Take advantage of our worldwide presence and 100 years of banking experience.

Around the world, wherever the sun rises on a new business day, there's a Dresdner Bank office ready to serve you – in the Near, Middle, or Far East; in Europe, Africa, or the Americas. That's because Dresdner Bank is at home in over 50 countries, including all the world's major financial centers.

You'll find Dresdner Bank providing in-depth market analysis as well as trade and investment financing, purchasing and selling foreign currencies, and ensuring a smooth transfer of funds – 24 hours a day.

In fact, about one fifth of West Germany's foreign trade transactions are processed through the Dresdner Bank Group. And during the course of a year, the total of all the domestic and international transactions handled by Dresdner Bank add up to $131 billion.

Which makes us one of the world's largest and most experienced international banks.

Yet, Dresdner Bank's help extends beyond just saving you time and money. Thanks to our Electronic Banking Services and extensive correspondent banking network, we can help you do business profitably in every corner of the globe.

Your success in each market requires a unique approach and thorough understanding of local customs, thereby helping you formulate and implement clear-cut goals. You can rely on Dresdner Bank's highly regarded and sophisticated financial packages as well as our knowledgeable assistance in the complex, often time-consuming process of establishing new business ventures.

When could we discuss your special requirements in detail?

Dresdner Bank has all the time in the world for you.

Dresdner Bank

Dresdner Bank AG, Head Office: Jürgen-Ponto-Platz 1, D-6000 Frankfurt/Main, Federal Republic of Germany.

AMERICAN TOPICS

Nuclear-Free Zone Challenged by U.S.

In what is described as the first government lawsuit of its kind, the U.S. Justice Department has challenged the constitutionality of an Oakland, California, ordinance declaring the city a nuclear-free zone, The Washington Post reports. The department contended that the city law violates the U.S. government's constitutional authority to provide for the national defense and to regulate interstate commerce.

The ordinance, adopted in a voter referendum last year, prohibits the production and storage of nuclear weapons and materials in Oakland and restricts the transportation of such materials through the city.

More than 100 nuclear-free zones have been declared in U.S. communities. Most are merely symbolic. Oakland, however, is home to the navy's West Coast supply center for nuclear weapons parts. And the U.S. Energy Department's Oakland office oversees nuclear weapon research and development. The Justice Department says the law "seriously undermines" both these operations.

Short Takes

The California Supreme Court has reversed a 1936 ruling that consumers can sue for damages from metal, glass or other foreign objects they find in their food, but not over injuries from natural elements of a product — a nutshell in their peanut brittle, a cherry pit in their pie or an unpopped kernel in their popcorn. The decision has been widely cited in other states. But now the high court has ruled that a woman who broke her tooth on what seemed to be a fragment of bone in her hamburger can sue. It upheld an appeals court ruling that unlike a portion of chicken or steak, a hamburger is intended to be "eaten out of hand," and consumers cannot be expected to use a knife and fork to inspect it for potentially harmful fragments.

Asbestos can be hazardous when its fibers escape into the air, but scientists say the risk of cancer from undamaged, undisturbed asbestos is negligible, The New York Times reports. Scientists say efforts by school districts and building owners to avoid liability by removing undamaged asbestos may well be doing more harm than good, because the fibers then are often released.

People who hold that television has undermined reading should visit Milton Goldman's classroom in Los Angeles, the Los Angeles Times suggests. Mr. Goldman, who has won a district teaching award, tapes situation comedies like "The Cosby Show" and screens them for his remedial reading classes. After five minutes, he cuts off the sound, so pupils can only follow the story by reading subtitles that their teacher has added. When the sound goes off, "of course, they yell at me, but they concentrate," Mr. Goldman says. "And they like it."

Fluorocarbon Co., which makes industrial components out of Teflon, plastic and rubber, decided to change its name because people were confusing it with chlorofluorocarbon, one of the gasses that is depleting the atmosphere's ozone layer. So the Laguna Niguel, California, company offered $1,400 worth of stock for the best new name and got 8,000 suggestions from 3,000 entrants. Some were serious (Fluoronetics, Componentials) and some not (Flower Garden, Fluoraluralura). The winner will be announced after the entries are winnowed and a title search completed.

Notes About People

Former Chief Justice **Warren E. Burger** fired off an indignant letter last week to Representative Fortney H. Stark Jr., a California Democrat. Sources at the Commission on the Bicentennial of the Constitution, which Mr. Burger heads, said he was incensed that the congressman had returned 1,000 copies of the Constitution to the agency, "in the name of eliminating duplicative or unnecessary spending." Mr. Burger wrote that someone on Mr. Stark's staff had requested the copies earlier this summer. "I do not regard it as a 'waste' of government money to make copies of the Constitution available to as many Americans as possible," he wrote.

W. Glenn Campbell, for 30 years director of the Hoover Institution of War, Revolution and Peace, a conservative think tank at Stanford University, has retired. The organization has been widely credited with providing ideas for the Reagan administration. A former Hoover fellow, Michael J. Boskin, chairman of the White House Council of Economic Advisers, has been mentioned as a candidate to succeed Mr. Campbell.

Arthur Higbee

Alaska Cleanup Effort Is Ending but Sludge Still Threatens Wildlife

By Timothy Egan
New York Times Service

VALDEZ, Alaska — After spending $1 billion trying to clean up 11 million gallons of oil, Exxon Corp.'s army of 10,000 workers is disbanding, leaving miles of beaches still coated in thick black goo.

The state environmental department monitoring the cleanup of the oil that spilled from the Exxon Valdez in March says that as much as seven million gallons of North Slope crude remain in Prince William Sound — oil that coated rocks, hardened into asphalt lumps or welled deep under pebbled beaches.

Federal wildlife biologists, who last week asked Exxon to extend its cleanup beyond its self-imposed Sept. 15 pullout date, said the toll among animals was the worst of any oil spill around the globe.

The spill could affect as many as 400,000 birds, otters, bald eagles and other creatures.

Officially, 146 eagles, of the estimated 5,000 that live in and around the sound, have been found dead.

But that number, as with with 33,000 dead seabirds and 980 sea otters, may represent only 10 to 30 percent of the actual amount poisoned as the oil has made its way up the food chain, federal biologists say.

In a euphemism that evolved over the summer to replace the word "cleaned," Exxon officials say the 1,100 miles (1,800 kilometers) of beach that were stained with oil have been "environmentally stabilized" in that they pose no further threat to fish and wildlife.

More than 50,000 tons of debris and tar balls, picked up by crews crawling over beaches, were placed in plastic bags and shipped by barge to Oregon. Other oil was scooped up by floating skimmers or washed off rocks by steam or slurped up by floating skimmers.

[The Environmental Protection Agency chief, William Reilly, said Sunday the government could be forced to clean up the Alaska oil spill in the spring if Exxon's efforts prove inadequate, United Press International reported from Washington.

In an television interview, Mr. Reilly said, "The job isn't done." But he added, "It's very clear we're going to have go back, and Exxon is going to have to go back in the spring, as they intend to do, and survey what the problems are. And if there's any work to be done, do it."]

Vice Admiral Clyde E. Robbins of the Coast Guard, the highest-ranking federal official in Valdez, said that the sound would never be exactly as it was before the spill. But he doubted if any company, or government, could have done any better than Exxon did.

The Coast Guard, which has been responsible for keeping Exxon to its promises about the cleanup, has allowed the company to wrap up its effort here. Admiral Robbins said the beaches that Exxon considers stabilized were, in many cases, "not clean at all."

"But we've lowered the environmental risk," he said.

Even Exxon said 50 of the 1,100 miles of beach remained covered with heavy layers of oil, and the state Department of Environmental Conservation said more than 300 miles of treated shoreline still is coated with muck that in some cases is three feet (about one meter) deep.

The harshest official criticism has come from the state. Steve Provant, an environmental official who is monitoring the cleanup efforts for the state, said, "This term 'environmentally stabilized' is an Exxon term, and as far as we're concerned it's meaningless."

Pointing to new findings on bird deaths, biologists with the U.S. Fish and Wildlife Service wrote to Exxon, asking the company to keep bird-rescue boats and some clean-up crews on the job.

The biologists said they had found a sudden rise last week in the rate of bird deaths around Kodiak Island, 400 miles away from the reef where the Exxon Valdez went aground on March 24. Millions of birds migrating south through the sound over the next few weeks will be at particular risk, they said.

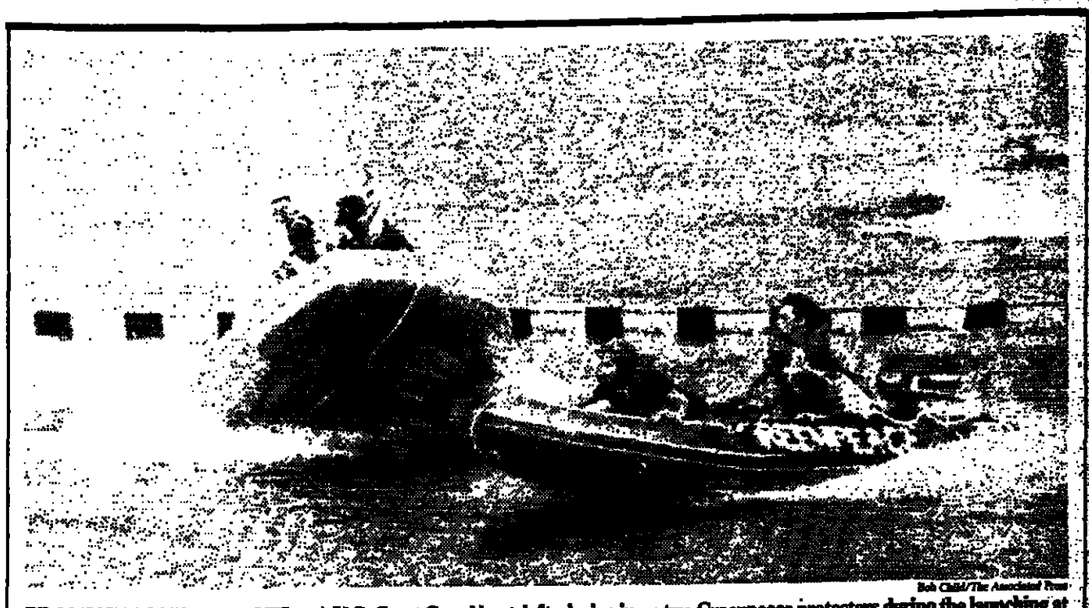
But Exxon officials say they have no plans to keep any cleanup workers through the long Alaskan winter, when storms would jeopardize their safety.

In ending the cleanup operation, Exxon is closing down the biggest single payroll this state has seen since construction of the Trans-Alaska pipeline in the 1970s, dismantling the floating dormitories, reeling in miles of hot water hoses and scattering a flotilla of more than 1,200 vessels that were assembled to scoop oil from salt water.

By Friday, the paychecks that brought cleanup workers an average of $1,800 a week, in a state where typical wage-earners bring home less than a third that amount, will be gone.

"Honestly, we would have been better off without a cleanup," said David Grimes, a fisherman based in Cordova.

"This whole operation was good public relations and a good jobs program," he said. "But I don't think anybody thought they could actually clean it up."



Rob Child/The Associated Press

PROTESTERS HEADED OFF — A U.S. Coast Guard boat, left, closing in on two Greenpeace protesters during the launching at New London, Connecticut, of the newest Trident nuclear submarine, the $1.2 billion Pennsylvania. Six protesters were arrested.

Nicaraguans Cautious on U.S. Aid Plan

By Lee Hockstader
Washington Post Service

MANAGUA — Members of the government and the opposition are reacting cautiously to word that the United States is considering a plan to provide as much as $3 million in aid to the opposition's campaign to defeat the Sandinista government in elections.

The proposal, still under debate in Washington, would use the National Endowment for Democracy to channel money to Violeta Barrios de Chamorro, the newspaper publisher named Sept. 2 as the presidential candidate of a 14-party opposition coalition.

The endowment is a private, nonprofit corporation funded almost entirely by the government. It is governed by an independent 16-member board.

Congressional Democrats see the plan as a more palatable alternative than covert aid to the opposition channeled through the Central Intelligence Agency.

In interviews in Nicaragua, both government and opposition officials said they assumed there would be a flow of dollars from the United States to help the opposition. But those interviewed stressed that they were concerned primarily with ensuring that the CIA did not play a role in Nicaragua's elections, scheduled for Feb. 25.

"We are waiting for more information on what they are planning," said Victor Hugo Tinoco, the Nicaraguan deputy foreign minister. "The most important thing is to assure, to guarantee that there will be no covert CIA action in the electoral process."

Antonio Lacayo, Mrs. Chamorro's campaign manager and son-in-law, said the opposition coalition welcomed donations from virtually any source except the CIA.

"We are willing to accept money from Mr. Gorbachev as well, from all the European and Latin American countries, including Cuba, the Asian countries, from all over the world as long as that money comes to push the cause of democracy," he said. "We still believe that any CIA involvement in the Nicaraguan struggle for democracy would be devastating."

The opposition says that any evidence of CIA involvement on its behalf would be a propaganda gold mine for the Sandinistas, who have ruled Nicaragua since overthrowing Anastasio Somoza in 1979.

The Sandinistas express concern that the CIA could have a hidden hand in the elections, funneling money to the opposition and destabilizing the country during the crucial campaign season.

"CIA covert operations have been the origin of most of the problems in Central America," Mr. Tinoco said.

In practical political terms, however, the Sandinistas seem likely to use any evidence of American aid to the opposition, of any sort, as a centerpiece of their media campaign against the opposition.

The National Endowment for Democracy's past donations to Nicaraguan civic, labor and press groups, although not directed specifically to opposition political candidates or parties, have been treated by the pro-government press as political meddling by Washington.

■ Legality Questioned

Some officers of the the National Endowment for Democracy endowment contend that the contributions would be illegal, the New York Times reported from Washington.

Under a 1985 U.S. law, "Funds may not be expended, either by the endowment or by any of its grantees, to finance the campaigns of candidates for public office."

Sally Shelton-Colby, a member of the board of directors for the endowment, said she would favor legislation to permit aid to opposition parties only if she concluded that it was "essential to the survival of democracy in Nicaragua."

Congress has appropriated $3.5 million "for the promotion of democracy in Nicaragua" in the fiscal year ending Sept. 30. Carl Gershman, president of the endowment, said that money was being used "to strengthen democratic institutions, processes and values in Nicaragua," but not to finance any specific campaign.

The $3 million being sought now by the administration would be in addition to that amount.

A Gripe Against U.S. Colleges

Asian-Americans Call Admissions Policies Exclusionary

By Julie Johnson
New York Times Service

WASHINGTON — Pressing an increasingly aggressive campaign of charges that the leading American universities are unfairly limiting their enrollment, Asian-Americans have begun to seek new ways to get responses to their concerns.

Organizations representing the fastest-growing U.S. minority group say the most prestigious universities have placed quotas on Asian-American admissions.

These groups cite the low percentage of Asian-Americans admitted, even as the number of highly qualified applicants is rising.

They say the percentage of Asian-Americans accepted at the elite colleges should be rising much faster than it has been, because their qualifications are generally higher than those of other students.

Administrators at the top universities strongly deny that they discriminate on racial grounds, saying they are committed to shaping ethnically diverse student populations without quotas.

They say that to achieve racial, geographic and other balances, some qualified students, regardless of race, have to be turned away.

Despite these arguments, Asian-Americans involved in the issue say there are many examples to support their assertions. They say students are not being admitted to the top colleges in proportion to the number that graduate at the top of their high school classes with superior scores on the Scholastic Aptitude Test. That test is the one most often considered in admission decisions at top colleges.

Ray Nicosia of the Educational Testing Service, which administers the test, said, "Asians score by far the highest on SAT math."

In the 1987-88 school year, Asian-American students scored an average of 522 on the mathematics section and 408 on the verbal component of the test.

By contrast, white students scored an average of 490 on the math section and 445 on the verbal component. Each section is scored from 200 to 800.

Documentation of actual quotas has eluded the Asian-Americans who have lodged the complaints.

But their assertions, they say, are supported by internal studies that have been conducted at several universities.

Frank Y. Liu, president of the Organization of Chinese Americans, said: "I think it is pretty obvious that this practice of setting quotas against Asian-American students had been established."

An internal report prepared for the president and trustees of Brown University, covering admissions over the last 10 years, shows a big increase in the number of applications from Asian-American students.

In 1980, for example, 697 Asian-American students applied to Brown and 153 were accepted, a 21-percent acceptance rate.

In subsequent years, the percentage of Asian-American students accepted ranged from 15 percent, in 1983, to 23 percent, in 1989, while the number of applications surged to a high of 1,783 this year.

Asian-Americans active on the issue say that in light of the rise in Asian-American applications and their educational qualifications, the admission rate should be considerably higher.

Eric Widmer, dean of admissions and financial aid at Brown University, said:

"In no sense are these quotas. But admissions at any selective university tends to fall in the area of enrollment goals, which is to say we have to admit, we want to admit, a certain number of this kind of student and a certain number of that kind."

The main goal, he said, is to enroll students "who will be filling all of the classrooms in all of the disciplinary areas."

But, he said, "I think the Asian-American issue is founded on a justifiable sense of concern."

Reagan Makes Quick Recovery After Surgery

United Press International

ROCHESTER, Minnesota — Former President Ronald Reagan, recovering from surgery at the Mayo Clinic to remove fluid from his brain, spent Sunday reading the newspaper and watching football on television, aides said.

"President Reagan had a restful night and awoke shortly after 6:30 this morning," said Mark Weinberg, a spokesman for Mr. Reagan. "After breakfast, he read several newspapers and visited with his brother-in-law, Dr. Richard Davis. He has taken several walks around the area of his room and had lunch with Mrs. Reagan."

Mr. Reagan, 78, underwent an hourlong operation late Friday for a subdural hematoma, which apparently was the result of a fall from a horse July 4 during a vacation in Mexico. A subdural hematoma is a fluid buildup caused by a blood clot between the brain and the skull.

Patients having similar surgery generally are hospitalized for about a week.

Save up to 50%

or more off your newsstand price when you subscribe.

Rates shown are for six — not five — full issues per week.

Country/Currency		12 months + 52 ISSUES	ONE-YEAR SAVINGS	6 months + 26 ISSUES
Austria	A.Sch.	4,400	3,608	2,500
Belgium	B.Fr.	11,000	7,200	6,000
Denmark	D.Kr.	2,700	1,304	1,500
Finland	F.M.	1,760	1,334	970
France	F.F.	1,500	1,230	830
Germany (mail)	D.M.	580	403	320
—*hand delivery	D.M.	739	103	379
Great Britain	£	140	96.60	77
Greece (mail)	Dr.	29,000	25,600	16,000
—hand delivery Athens, Thessaloniki	Dr.	33,000	21,600	18,000
Ireland	Ifrl.	155	136	85
Italy	Lire	420,000	308,000	231,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,000	1,276	1,100
—**hand delivery	N.Kr.	2,500	776	1,400
Portugal	Esc.	29,000	29,240	16,000
Spain (mail)	Ptas.	32,000	22,600	17,600
—***hand delivery Barcelona, Bilbao, Seville	Ptas.	32,000	22,600	17,600
—***hand delivery Madrid	Ptas.	46,800	—	23,400
Sweden (airmail)	S.Kr.	2,000	1,276	1,100
—**hand delivery	S.Kr.	2,500	776	1,400
Switzerland	S.Fr.	455	455	255
Rest of Europe, North Africa, former French Africa, Middle East	$	470	Varies by country	260
Rest of Africa, Gulf States, Asia	$	620		340
Central/Latin America	$	540		295

Offer valid through December 31, 1989 for new subscribers only.

International Herald Tribune
Published With The New York Times and The Washington Post

IHT EXTRAS

Full weekend sports results in Monday's IHT

Friday's market closings in Saturday's IHT

To: Subscription Manager, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: (1) 46 37 93 61. Telex: 612832. Fax: 46 37 06 51.

Please check the subscription term you desire:

☐ 52 extra issues with a 12-month subscription (14 months in all).
☐ 26 extra issues with a 6-month subscription (7 months in all).
☐ My check is enclosed.
☐ Please charge my credit card:
☐ Access ☐ Amex ☐ Diners ☐ Visa ☐ Eurocard ☐ MasterCard

Card expiry date _____ Signature _____

Card account number _____

Name _____ Tel./Telex _____

Address _____

City _____ Country _____ 11-9-89

*In West Germany, please contact Foreign Press Service, Gleistrasse 5, D. 6832, Hockenheim, Talbann, or telephone: (06205) 20 133; telex: 465 826. Hand delivery is available in major cities. Rates do not include free issues.
**At these rates, you can get morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Göteborg and Malmö.
***At these rates, hand delivery is available by morning in Barcelona, the same day in Seville and the next day in Bilbao. For Madrid, hand-delivery is available by morning, but without the free issues.

INTERNATIONAL STOCK MARKETS
IN THE IHT EVERY TUESDAY.
A COLUMN ON NON-U.S. STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
330 W 56 St NYC 10019
212-765-7896
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

MERCEDES
V.I.P ESCORT AGENCY
9 AM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
TEL: LONDON
(01) 351 6666

LONDON
KENSINGTON ESCORT SERVICE
10A Kensington Church St, W8
TEL: 937 9136 or 937 9133
All major credit cards accepted.

WESTMINSTER ESCORT AGENCY
Stunning girls & guys in London
01 724 W21/2945 until midnight

LONDON UPPER CLASS PRIVATE ESCORT SERVICE
London 01-589-4196

***** HAMBURG *****
Escort Service ********** Tel: 040/553 41 48.

** AMSTERDAM APOLLO CLUB **
Escort Service, 76 Apollolaan, Amsterdam. Tel: (020) 766176 from 3 pm

NEW MULTI-LINGUAL GERMAN + ORIENTAL VIP ESCORT SERVICE. CALL 01-431 4054 OR 01-431 5154.

MILAN & LUGANO EXCLUSIVE **** Multilingual Escort Service. Tel: (39-2) 6691479

LONDON PRIVATE
Elegant Sophisticated Escort Service. Call 01-586 5977 or 286 5173.

NEW IN BRUSSELS ! BACCARA !! Multilingual VIP First Class Escort Service. All credit cards. 02/734.99.06

SUNSHINE MADRID
Escort Service.
Tel: 341-341 12 97 or 341-541 12 97

**** LONDON PARIS LINK ****
Colette + Clair French Exclusive VIP Escort Service. London (01) 351-1152

ESCORTS & GUIDES

LONDON
Portman Escort Agency
67 Chiltern Street
London W1
Tel: 486 3724 or 486 1158
All major credit cards accepted

BELGRAVIA
ESCORT SERVICES
CENTRAL LONDON
7 DAYS A WEEK
CREDIT CARDS ACCEPTED
LONDON 386-9384

ARISTOCATS
London Escort Service
3 Shouldham Street, London W1
All major Credit Cards Accepted
Tel: 01-258 0091 (5 LINES)
12 noon - midnight

*****ITALIAN*****
TOP CLASS ESCORT SERVICE
TEL (01) 723 2586.

BRUSSELS. CATHY High Class Escort Service. Tel: (02) 734-1586 or (02) 733-3321. Credit cards accepted.

LONDON GEISHA SERVICE
For Oriental, Chinese, Japanese + Europeans. Tel: 370 5952 credit cards.

FRANKFURT - "TOP TEN" ESCORT SERVICE. 069/ 55 89 26. THE BEST IN TOWN.

MUNICH ***** SECRETS *****
******** 311 11 04 ******* 448 60 38
Escort & Guide Services **********

*** FRANKFURT "NEW LADY" ***
Exclusive Escort Service/Domina too. Tel: 069/49 74 01.

*** MADRID *** CHRISTIE ***
Guide Service. Telephone: (341) 571 52 62.

LONDON - EXCEPTIONAL TOP CLASS ESCORT SERVICE KNIGHTSBRIDGE 01-581-1642.

NEW PREMIERE ITALIAN SCANDINAVIAN CONNECTION Escort Service in London. Tel: 01- 924 3767.

ESCORTS & GUIDES

ULTIMATE '10'
212-688-1741
NEW YORK ESCORT SERVICE

PRISTINE
ESCORT SERVICE/NYC
212-754-1948/754-1949

CAPRICE-NYC
ESCORT SERVICE IN NEW YORK
TEL: 212-737 3291

MAYFAIR CLUB
ESCORT SERVICE from Spain
ROTTERDAM (0) 10-4254155
THE HAGUE (0) 70-607996

*** GENEVA DIANY ESCORT *** and Guide Service. Tel: Geneva 022 / 735 68 23.

******* FRANKFURT *******
Serious connection Escort Agency. Tel: 06032/10 60, 7 days.

AMSTERDAM JASMIN Escort Service. Tel: 020-333033. The best in town. Credit cards accepted.

AMSTERDAM 2000 Escort Service. All credit cards accepted. Telephone: (0) 20 - 911000

GENEVA FAVOURITE ESCORT and Guide Service. Tel: 022/21.97.46.

DUBLIN "REVERIE" ESCORT Service. Noon - Midnight. Tel: (Eircell) 088-560 260

MUNICH * EXCLUSIVE ESCORT Service * Tel.(089/2080836 * (0161-43/7005 * All credit cards accepted.

**** TOKYO VIP PRIVATE **** ******** Escort Service ********** Tel. (03) 586-7897.

SHADOWS * * * * * * * * * * Escort Service. Telephone: Madrid 341-262-4536.

ESCORTS & GUIDES

QUEEN'S ESCORT-SERVICE
Duesseldorf, Cologne, Bern, Zurich
24 hours - credit cards
Call Netherlands 0031-2975-40917

CROWN CLUB LTD
NEW YORK ESCORT SERVICE
(212) 688-2271

ZURICH 558720
Private Tourism Guide Service
Credit Cards Accepted

GENEVA TIFFANY
V.I.P. ESCORT SERVICE.
3 pm - 12 pm. 16 Rue Crespin.
2nd floor Apt. 22.

CHELSEA ESCORT SERVICE.
51 Beauchamp Place, London SW3.
Tel: 01-584 6513 Established 18 years.

GENEVA *** ROYAL *** GENEVA
***** VIP ESCORT SERVICE *****
***** Tel: 022 / 781 27 72 *****

BRUSSELS NEW ILONA'S ESCORT Service. Multilingual. Tel: 02-733 88 47. Credit cards accepted.

FRANKFURT - MAINZ - WIESBADEN
Christina's Escort Service. **********
069/36 46 56. Credit cards too.

***** F R A N K F U R T *****
Princess Escort Service, 7 days.
Tel: 069 / 666 25 64.

LONDON & HEATHROW
Continental Escort Service Multi-Lingual From 5pm-1am. Tel 371 6761.

ROME GIRL ESCORT SERVICE
Telephone 06-6390053.
6pm - 10 pm

AMSTERDAM BERNADETTE ESCORT Service. Number One. Telephone (0) 20-327799 or (0) 20-362833.

*****FAR EAST*****
TOP CLASS ESCORT SERVICE TEL (01)724 2165.

FRANKFURT - FAIR PLAY
Exclusive Escort Service.
Tel: 069/34 10 72

ESCORTS & GUIDES

GENEVA * MELODIE
ESCORT SERVICE. Tel 022/46 11 58

ZURICH
Carolina Escort Service 01/ 252 6174

ZURICH
Top Escort Service. Tel: 01/41 76 09

MUNICH * 91 23 14 *
The Friendly Escort Service

"The finest escorts service in New York"
IMPRESSIONS
212-734-9641

CHELSEA ESCORT SERVICE.
51 Beauchamp Place, London SW3.
Tel: 01-584 6513 Established 18 years.

VIENNA EVELYN
First Class Escort Service 37 56 70

**********T O K Y O**********
First Class Escort / Guide Service. Tel: (03) 351 - 2278 . Good Answering Service for the executives.

*** ZURICH AMANDA ***
******** Multilingual ********
******** Guide Service ********
*** Youll Call, 01/383 08 55 ***

MADRID IMPACT ESCORT and Guide Service. Multilingual. Viet. Open 11am - midnight. Tel: 261 41 42

TOKYO *** TOP ESCORT SERVICE Major credit cards accepted. Tel: (03) 436-4978.

MILAN VIP Escort Service (2)461125

LONDON BRAZILIAN ESCORT Service. Open seven days a week. Multilingual. Tel: 01 792 9732/3

LONDON TOP MODEL
Elegant Escort Service.
Telephone: 01-286 0918

"DOMINA" Cologne/Bonn/Berlin/ Duesseldorf/Essen/Krefeld male and female Escort Service. 0211/37 11 63

HEATHROW . LONDON
CHARLOTTE . EXCLUSIVE ESCORT
0860-551092 . CREDIT CARDS.

Bush Secretly Gives Military Wider Latin America Options

By Michael Isikoff
Washington Post Service

WASHINGTON — A secret portion of President George Bush's anti-drug program authorizes an expanded role for the U.S. military in Latin America, including new "rules of engagement" that would authorize U.S. Special Forces to accompany local forces on some narcotics patrols, according to administration and congressional sources.

A classified directive, signed by the president this summer, would permit deployment of U.S. military personnel in "secure" areas of Peru's Upper Huallaga Valley, a coca-growing jungle that U.S. officials have acknowledged is "effectively controlled" by the far-leftist Shining Path guerrillas, the sources said.

The directive conveys a presidential decision to officials who must implement it.

A senior administration official familiar with the directive said it did not call for any combat role for U.S. troops or covert operations in the three Andean countries.

But the official said "several hundred" U.S. military trainers, advisers and other support personnel may be deployed in Peru, Bolivia and Colombia under the Andean initiative that was announced by Mr. Bush on Tuesday night.

[On Sunday, William J. Bennett, the national drug policy director, said, "There is no plan for any Special Forces to accompany troops in Peru or Bolivia in the combat mission."

[Mr. Bennett, interviewed on ABC television, said, "You see now in Colombia the presence of American trainers, working with the Colombians, giving advice, training them on equipment."

[Asked whether he could deny that U.S. troops would accompany any host-country troops on an anti-drug patrol, Mr. Bennett said, "There is no such plan." But he conceded that the advisers on the ground in Colombia would be in "a dangerous environment."]

Details will be spelled out in an "implementation" plan that is expected to be completed within the next two weeks and is being coordinated by Mr. Bennett's office, an administration official said.

In recent weeks administration officials repeatedly said they did not foresee the use of U.S. combat forces in Colombia but they have declined to rule it out if troops are requested by President Virgilio Barco Vargas of Colombia.

More than half the cocaine consumed in the United States comes from coca grown in the Upper Huallaga, according to official estimates.

■ 3 to be Extradited

The Colombian government will extradite three more reputed cocaine traffickers wanted in the United States on charges of money-laundering and drug smuggling, an official said Sunday, The Associated Press reported from Bogotá.

The announcement came after a weekend of army raids on ranches believed to belong to two of the most wanted drug bosses: Pablo Escobar and Gonzalo Rodríguez Gacha. They are believed to be the top men in the Medellín cocaine "cartel."

In western Colombia, assailants killed a foreman and set fire to the ranch of a government official who wanted the confiscated rural property of drug traffickers distributed to peasants.

A National Drug Council official said the government had signed extradition orders for three jailed Colombians: Ana Helena Rodríguez, 37, accused of drug trafficking; Bernardo Londoño Quintana, 47, accused of laundering money; and Alberto Orlandez Gamboa, 37, also for alleged laundering.

The paper said the property confiscated in the Magdalena Medio included ranches registered to Mr. Escobar and Mr. Rodríguez Gacha, 600 head of cattle, 200 exotic tropical birds, 80 fighting cocks, show horses, pedigreed dogs and electronic alarm systems.

On Saturday, the Colombian press reported that army raids in Pacho, a town northeast of Bogotá, netted 49 vehicles, including two bulletproof Mercedes-Benz sedans that allegedly belonged to Mr. Rodríguez Gacha.

■ Fewer Shipments

Large air shipments of cocaine from Colombia to staging areas near the United States have slowed to a crawl since Colombia began its crackdown on the drug industry, The New York Times reported from Washington.

Officials in Miami, Los Angeles and other smuggling centers said the reduction held the promise of creating at least a temporary shortage of cocaine and its smokable derivative, crack. They cautioned, however, that much cocaine is already stored in sites near the U.S. border.

Deng Absent As a Leader Visits Beijing

Reuters

BEIJING — For the first time in several years, China's senior leader, Deng Xiaoping, did not meet with a visiting foreign head of state. Officials declined to say whether it was because of ill-health or for political reasons.

Mr. Deng, 85, has not been seen in public since June 9 when, looking shaky and worn, he presided over a meeting of military commanders and praised their crackdown on pro-democracy demonstrations in Tiananmen Square.

The arrival of the Burkina Faso president, Blaise Compaore, as the first head of state to visit since martial law was declared on May 20, had raised expectations that Mr. Deng would reappear after weeks of rumors about his health.

A senior Asian diplomat said that as far as he could recall Mr. Deng had not missed such an engagement for at least four years.

SOVIET: *The Tests to Come*

(Continued from page 1)

last, and their lack of confidence in the long-term survival of Mr. Gorbachev's program is one reason that his calls for patience and self-discipline seem to fall on deaf ears.

The basic bargain of perestroika, Mr. Gorbachev's drive for renewal, is that the Communist Party surrenders its management of the economy to a system based on economic incentives and local accountability. It gives up its ideological monopoly to a robust marketplace of ideas. It loosens its political grip by submitting to quasi-democratic elections, tolerating the limited competition of unofficial political groups and bowing to the primacy of laws.

On Saturday night, the Soviet leader appealed for "a decisive increase of responsibility and discipline at all levels" to see the country through a series of political events intended to put it on a more stable, legal footing.

These include a Communist Party plenum on ethnic relations, the second session of the new Soviet parliament, a gathering of the larger Congress of People's Deputies later in the year, and then local elections.

Mr. Gorbachev's approach is now under attack from several directions.

On one side is the conservative old guard in the local party apparatus and economic bureaucracies, who have felt threatened by perestroika from the outset.

In some recent cases, the conservatives have resorted to brazen sabotage, notably the local party-cell leaders in the Baltics and Moldavia who have collaborated with — in some cases, instigated — strikes against nationalist movements.

On another side are the nationalists and radical intellectuals, who argue that the only salvation is a dramatic leap away from Soviet socialism.

A third group that has materialized in the past few months consists of self-styled reformers who contend that the Soviet people are not culturally ready for democracy, and who favor entrusting Mr. Gorbachev with greater power to impose change — especially a market economy — from the top.

GORBACHEV: *Washington Sees Prospects as Poor*

(Continued from page 1)

would be back at square one." What we would like to say to the Balts, but can't, is, 'Remember, you got as far as you have today because of Gorbachev.' "

Although conceding that no one can predict political events in the Soviet Union, most administration officials believe that because Mr. Gorbachev has shown himself to be such an adroit politician he is likely to remain in power for the next few years, at least.

The effect of these somewhat conflicting perceptions of Mr. Gorbachev and his prospects has been to leave senior U.S. policymakers with a continued feeling that they can, and should, exploit his need for arms control deals that will better enable him to use resources and energy to address his domestic woes, but to do so in ways that will insure that the United States can reverse any arrangement as fast as the Soviet Union can — should Moscow be gripped by instability, or Mr. Gorbachev swept away.

To the extent that there is a vision animating the approach of the Bush administration to the Soviet Union today, it is shaped by these sorts of practical, day-to-day analyses and calculations.

This explains, in large part, why Mr. Bush has been wavering about whether to set a date for a summit meeting with Mr. Gorbachev — something that will be a topic for discussion when Secretary of State James A. Baker 3d and the Soviet foreign minister, Eduard A. Shevardnadze, meet at Jackson Hole, Wyoming, on Sept. 22.

A summit meeting, by its nature, would require the administration to decide more clearly how it perceives Mr. Gorbachev and how far it wants to go with him.

Asked whether Mr. Baker and Mr. Shevardnadze would set a summit date, an official said, equivocally, "I think we would rather let developments determine the time a summit was appropriate, especially a first summit for the administration, rather than let a date drive the negotiations."

Interviews with policymakers make it clear that they came into office with a cautious attitude toward Mr. Gorbachev, fed largely by their lingering doubts as to whether he was "for real" as a reformer. They are still cautious about how to deal with him.

But now their caution is being fed by the mounting awareness that he is indeed for real — in fact, as one official put it, "too real" — and that his far-reaching policies may have set in motion a centrifugal process that could unsettle the entire country.

The sense of Mr. Gorbachev's personal adroitness, however, is both crucial and widespread within the government. It explains in part why, despite the mounting pessimism about his prospects for success, no one in the administration is prepared to argue that there is no use doing serious business with the Soviet leader in areas like arms control and resolving regional conflicts.

Many administration officials believe that short of a major upheaval galvanizing broad opposition, Mr. Gorbachev will probably stay in power, despite what is bound to be a very bumpy road in the next few years.

Even in the event that Mr. Gorbachev were toppled or forced to become a hard-liner to survive, a majority of top administration officials — including the president, Mr. Baker and the national security adviser, Brent Scowcroft — are inclined to believe that the reformist trend he has set in motion would eventually have to be continued by his successor because of domestic economic needs.

There is, though, a minority sentiment — represented by Secretary of Defense Dick Cheney and Vice President Dan Quayle, in particular — that holds that it is not impossible that instead of another Gorbachev succeeding Mr. Gorbachev, "Stalin would succeed Gorbachev," an administration official said.

CHINA: *A True Betrayal?*

(Continued from page 1)

ceived. People say she is going crazy. If she does go mad, her parents will have lost both children."

The ostracism of Miss Zhou might suggest that everyone here is a staunch supporter of the student movement. In fact the situation is more complex, partly because the intense propaganda on television has had an effect on residents. People do not believe the government accounts of what happened, but the images of bloodied soldiers have persuaded them that the democracy movement was not as pure as they had thought.

To the extent that people have any sympathy for the crackdown, it is not founded on the government's justification of protecting communism. On the contrary, it is based on the belief that only when order is restored can people make money.

Xian is one of the tourism capitals of China because of the tombs and other historical sites from the time when it was the cultural, political, and commercial center of Asia during the Tang dynasty more than 1,000 years ago. But these days, there are scarcely any tourists in town.

The propaganda has been modestly successful in portraying the democracy movement as responsible for the turmoil that threatened China's modernization policy. Those who expressed reservations about the movement said that while its aims were good, its later stages reminded them of the turmoil of the Cultural Revolution.

"I went through those 10 years of chaos," a middle-aged worker said. "Nobody in my generation wants to go through that again."

Yeltsin Says Gorbachev Can Resist Critics

Reuters

NEW YORK — Boris N. Yeltsin, the maverick Soviet politician, said Sunday that the popularity of Mikhail S. Gorbachev might decline but that there was no immediate danger of his losing the Kremlin leadership.

Mr. Yeltsin, who arrived in New York on Saturday for an eight-day visit to the United States, said in a television interview that extraordinary measures were necessary to stop a decline in standards of living in the Soviet Union at a time of crisis for Soviet society.

While Mr. Gorbachev had gone a long way toward improving Soviet international relations, Mr. Yeltsin said, on the domestic front "he has missed some opportunities."

Mr. Yeltsin, a former Politburo member who lost his post as Moscow Communist Party chief two years ago but made a comeback in elections in the spring, added that people who opposed the Soviet president would increase pressure on him. But he said that Mr. Gorbachev now had "enough strength to withstand them."

Guerrilla Raid Kills 12 In Remote India Village

The Associated Press

NEW DELHI — Separatist guerrillas raided a remote border village in northeastern India and killed 12 people, the Press Trust of India reported Saturday.

The attack by militants of the Bodo tribe also left at least 27 people injured in the village of Bokajali, in Assam State, the news agency said.

In Asia,

Which do you prefer?

Hong Kong
The Peninsula

Japan
Osaka
Royal Hotel
Tokyo
Imperial Hotel
Hotel Seiyo Ginza

Korea
Seoul
Hotel Lotte

Philippines
Manila
The Manila Peninsula

Singapore
Goodwood Park Hotel

Thailand
Bangkok
The Dusit Thani

PREFERRED HOTELS WORLDWIDE

United States, Canada, Caribbean, Europe and Asia.

For reservations, or to receive a free Preferred Directory, have your travel agent call Utell International.

© 1989 Preferred Hotels Worldwide. All rights reserved.

GERMANS: *Border Opening*

(Continued from page 1)

the refugees return home. It made promises that they would not be punished but there was no certainty they would be given exit visas.

Hungary had not been expected to let the East Germans leave with West German passports — Bonn does not recognize East German citizenship — since this would imply that Bonn had sovereignty over East Berlin.

It had been thought more likely that Hungary would call in the Geneva-based International Committee of the Red Cross to issue special travel documents, releasing Budapest from the need to break a 20-year treaty with East Berlin.

But diplomats said that Budapest evidently decided it had little more to lose since it was already breaking the terms of the treaty by not handing over East Germans caught trying to flee.

Mr. Horn said his government had made the decision after East Germany refused to give assurances that refugees who returned home would be allowed to emigrate legally to West Germany.

The minister said Hungary had wanted to start the exodus on Sept. 4. It agreed to delay it a week after East Berlin asked for time to mount a campaign to persuade the refugees to go back home.

The Hungarian announcement was welcomed by Chancellor Helmut Kohl of West Germany, who said: "We are very conscious of what a decision the Hungarian government has made. It is a decision of humanity, a decision of European solidarity. I am very grateful for this decision."

Foreign Minister Hans-Dietrich Genscher rejected the suggestion that people fled from East Germany mainly for economic reasons. He said lack of hope for the future and lack of opportunity for personal development were more important.

CAMPS: *Cambodians in Despair*

(Continued from page 1)

they were concerned about an increase in the number of young women in the camp turning to prostitution.

"These people have been separated from their country," said Pin Sem, the leading Buddhist monk in the camp and chief abbot of the Ritthysen temple. "They are stateless.

"Normally, people living in the world have a job to do," he said. "Here, there are no jobs. People with free time on their hands engage in the wrong things, like gambling, like prostitution."

For many of the refugees interviewed during a recent visit, the failure of the Paris talks appeared to mark a definite psychological turning point. Many of the refugees heard about the conference on a Khmer language radio show broadcast by the Voice of America.

"Before, I thought I would be going back in five months," said Hen Man, 32, a market vendor who has given birth to five children in the camp since 1979. "Now that hope has vanished. Now I don't know when I'll ever go back."

"We were all very upset," said Yen Youphon, 46, a hospital worker from Battambang. "We've already been here at the border for 10 years. I'm not very hopeful."

A report prepared by the Ford Foundation and not yet released found that about 70 percent of the adults at Site 2 have now spent the past decade living in refugee camps on the border. None of the refugees is eligible for resettlement in third countries.

Of particular concern, among the relief agency workers and Cambodian camp administrators, is the effect of the long period of camp confinement on the children, most of whom were born in the camp and have no knowledge of Cambodia.

A number of refugees, apparently fed up with waiting for peace, have returned quietly to Cambodia despite the dangers. While no exact figures are available, a knowledgeable relief agency worker in Aranyaprathet estimated that in April and May of this year, 3,000 to 5,000 refugees left Site 2 for the treacherous walk across the border to Cambodia.

"It has never happened before to such an extent," he said. "And there are still people leaving, much more than before."

Helicopter Crash Kills 6 On 'Celebration' Flight

United Press International

BORDEAUX — A police helicopter carrying three men and three women on an unauthorized night flight crashed early Saturday near the southwestern coastal town of Mimizan, killing all aboard, police said.

It was carrying two gendarmes, a medical trainee and three women. Authorities said the three men had been celebrating the end of a summer assignment to a rescue squad mission.

LIBYA: *Is Gadhafi Now Melting?*

(Continued from page 1)

cause it was created by such a small community as Mecca."

He spoke at a news conference, broadcast live on state-run television to mark part of the 20th anniversary celebrations on Sept. 3.

"We Libyans are capitalists," said a trader of fine cloth in the bazaar, where men in waistcoats and white breeches whisper of price and profit. "What we have been given so far is something. But it is not enough."

A foreign resident said, "Now that Gadhafi has taken the lid off, it's difficult to see how he can replace it without repercussions."

Since early 1987, Colonel Gadhafi, deeply shaken by the American bombing raid a year before, isolated diplomatically and facing growing discontent at home, has ordered new ways of doing things.

He freed Libyans to travel abroad for the first time in years. He reined in the dreaded Revolutionary Committees — groups of zealots who, in the name of the Sept. 1 Revolution, took over the policing of the state, setting up revolutionary courts that handled 90 percent of all court cases, arresting virtually anyone they chose, throwing up roadblocks arbitrarily.

The Colonel Gadhafi who took power by leading young officers in the overthrow of King Idris on Sept. 1, 1969, remains a quixotic leader, prone to showmanship and unexplained actions.

His debts to West European companies are estimated at $1 billion, his military debt to Moscow at $5 billion.

In the early 1980s, his visions of grandeur swelled with oil revenues that peaked at over $20 billion. The estimate for this year's oil earnings — virtually the only source of income — is $7 billion. But the projects of wealthy times continue.

The Libyan leader has spent billions on cheap housing, free schools and clinics for his people. Other ideas were not so modest.

There is, for instance, the Great Man-Made River project, for which Gadhafi takes responsibility in postage stamps calling him the Great Man-Made River Builder.

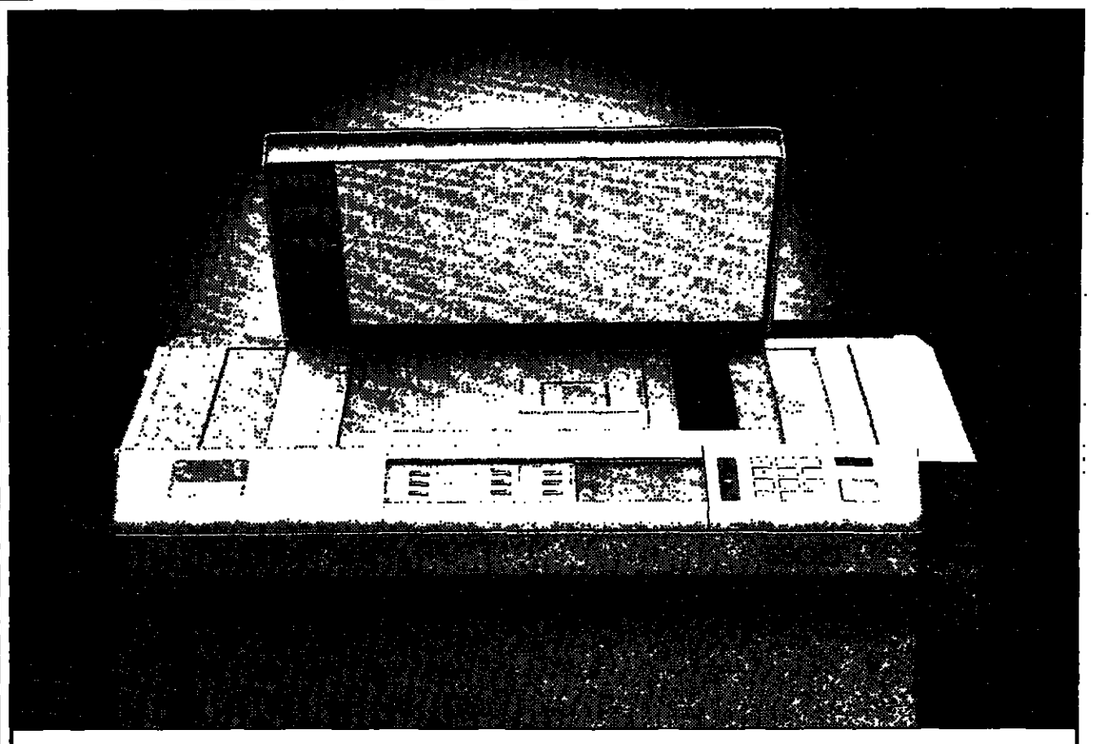
Deep in Libyan deserts, oil explorers have found vast reserves of underground water. So pipelines are to be built, bringing water 600 miles across the desert to the coast, where water supplies are threatened with salinity.

So far, the project has cost between $3 billion and $5 billion. But the overall cost, when completed with webs of irrigation for 37,000 wheat farms and pasture for two million sheep and 200,000 heads of cattle, is estimated by some Westerners at $40 billion.

A French engineering consultant has called it Africa's most expensive project. Western economists say it is so expensive that the wheat it produces will be 10 times as costly as imported wheat.

Such worries do not seem to afflict those Libyans still savoring and questioning the liberalization.

"You can get ice cream, that's true," a clerk said, "but toilet paper — that's another question."



The Originator

At Brother, technology must do more than improve a product's performance.

It must make the product more accessible, easier to use and affordable.

Take our BROTHERCOLOR 5500 full-colour copier. Not only does it produce incredibly crisp images copy after copy, it does so without messy toners, chemicals or ribbons.

That attention to basic user needs influences everything we make. Laser printers, facsimile machines and electronic typewriters for the office. Sewing machines and precision machine tools for industry. High-speed ovens, knitting machines, sewing machines and appliances for the home.

At Brother, the standard is simple. It's not breakthrough technology unless you're getting the break.

To see this standard in action, call Jones Sewing Machine Co., Ltd. at 061-330-6531.

brother®

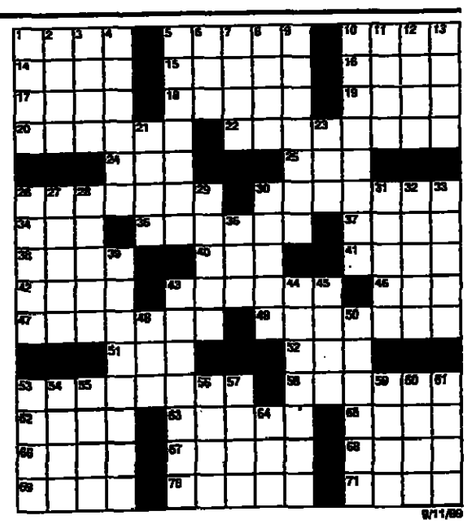
BROTHER INDUSTRIES, LTD. Nagoya, Japan

ACROSS

1 Actress Arthur or Simmons
5 "Thou art —— ": Matt. 16:18
10 Ostentatious display
14 —— Stanley Gardner
15 Century plant
16 Bar
17 Fastens
18 Voluminous volumes
19 Capital of Norway
20 Boil
22 Reminded
24 —— Chaney of early films
25 Fifth sign of the zodiac
26 Gradients
30 Stretchable
34 Inst. at Dallas
35 Caught sight of
37 Some Nigerians
38 Injure
40 Fruit drink
41 Rudolf Bing and Noel Coward
42 Silkworm
43 Faces
46 Individual
47 Rouse by sudden alarm
49 Tank or Civil War general
51 Inlet
52 Female sheep
53 Consecrated
58 Reply
62 Opposite of the psyche
63 Characteristic
65 Quote
66 Dross
67 Enroll
68 Group including SAC
69 Raced
70 Della or Pee Wee
71 Congers

DOWN

1 N.F.L. team
2 Canal or lake
3 Opposed to aweather
4 Cuddle
5 Monopoly-right documents
6 Conceit
7 Pack down lightly
8 Eternally
9 Did a shoemaker's job
10 Declares intention to wed
11 Drying kiln
12 Distance of 5,280 feet
13 Trudge
21 Sharpen
23 Checker-game pieces
26 Symbols of penitence
27 Clever
28 Papal court
29 Bowling score
30 Adolescents
31 Dialect
32 Blackmore's "—— Doone"
33 City in the Ruhr valley
36 Wedding-ceremony response
39 "Love and ——," 1956 Emmy-award song
43 Praise insincerely
44 American Ballet ——
45 Stitched
48 Stannum
50 Save
53 Aide: Abbr.
54 —— contendere
55 Bradley or Khayyám
56 Lake in Ireland
57 Social engagement
59 Sagacious
60 Cousin of etc.
61 Sports officials, for short
64 Plural ending



9/11/89

© New York Times, edited by Eugene Maleska.

Solution to Friday's Puzzle

			S	C	R	A	P	E		C	O	C	O	A	S
			E	R	A	S	E	R		O	R	A	N	G	E
			W	A	L	K	I	N	G	P	A	P	E	R	S
B	A	W	L	S		E	A	T	N	O		I	S	T
O	R	L	Y		I	S	L	E	T		O	P	I	E
C	D	E		I	N	T	E	R		C	A	P	O	N
A	S	R	E	D	A	S	A		M	U	T	A	N	T
			L	E	N				A	B	E			
A	D	V	I	S	E		P	A	R	E	N	T	A	L
H	E	I	S	T		A	R	T	I	S		R	P	I
A	C	R	E		A	G	A	T	E		C	U	P	O
B	O	G		A	R	E	N	A		M	A	N	O	N
	R	U	N	N	I	N	G	B	O	A	R	D	S	
	P	L	A	N	E	T		O	R	I	O	L	E	
	S	E	P	A	L	S		Y	E	L	L	E	D	

Aoun: Is He a Savior or 'Mad General'?

Shrugging Off Controversy, Lebanese Christian Leader Vows to Fight On

By Ihsan A. Hijazi
New York Times Service

BEIRUT — Nearly a year after Major General Michel Aoun was selected to be what he says is prime minister of all of Lebanon, he has cut such a controversial image that the Lebanese and the world at large are still trying to decide whether he is a reckless adventurer or a savior.

The authority of his cabinet is challenged by a Syrian-backed administration, which has formed its own cabinet under a Sunni Muslim prime minister, Salim Hoss.

General Aoun, the Christian military commander in Lebanon, has fought against opponents among the Christians as well as among the 40,000 Syrian troops in Lebanon and their Muslim militia allies.

His "war of liberation," begun in March to drive out the Syrians, has left 800 dead, more than 4,000 wounded and his Christian enclave under such a withering siege that even the general must live in a bunker two stories underground.

Last week he provoked a split with the United States, the power that in calmer times provided training to his army, by making threatening statements that prompted the evacuation of the U.S. ambassador and his staff.

And the defiant general told the East Beirut daily Al-Bairaq last week: "I will continue to fight until the end. I will fight alone until achieving the solution, liberation and victory."

General Aoun's opponents say that he is driven by a burning thirst for power and an ambition to rule as head of state through his 15,000-member army. Newspapers in mainly Muslim West Beirut and state-run Syrian news organizations label him "the mad general."

Under the Lebanese Constitution, General Aoun, as head of an interim government, should have limited his functions to creating the proper conditions for parliament to convene to elect a new president.

He was appointed to the task at midnight on Sept. 22, 1988, by the departing president, Amin Gemayel, the last head of state.

But with Christians and Muslims deadlocked on a successor to Mr. Gemayel, General Aoun confronted the Syrian forces, who arrived 13 years ago under a mandate from the Arab League, to end the civil war that broke out a year earlier.

"How long do the Syrians need to complete their mission?" he asked of the forces that control two-thirds of Lebanon. "They are now the problem."

Under a formula for governing that has been in place since independence from France 46 years ago, the prime minister's office traditionally belongs to the Sunni Muslims. The equation gave the presidency to the Christian Maronites, along with the command of the army, and the post of speaker of parliament to the Shiite Muslims.

The Muslims, claiming that they now outnumber the Christians two to one, have demanded drastic changes that will give them a bigger share of power.

Editorial writers are quick to say that the futility of the general's "war of liberation" was proven by Washington's evacuation of Ambassador John McCarthy and 29 U.S. staff members from the embassy compound in East Beirut.

In a television interview at the weekend, General Aoun renewed his charges that the United States was bowing to Syria in Lebanon.

"Americans are bound to be the target of more attacks across the globe because the U.S. administration is making concessions to terrorists," he said. "We ask the United States not to support Syria's occupation."

He said earlier that if Mr. McCarthy wished to return to Beirut, he would be welcome but that he must first submit his credentials to the Aoun government.

Like other foreign powers, the United States, while dealing with both Lebanese cabinets, refuses to recognize either as the legitimate administration.

Recognition has been General Aoun's main problem in consolidating his power.

The Syrians consistently say they will not deal with General Aoun under any circumstances.

■ Battles in Beirut

Lebanese police said one person was killed and seven wounded Sunday in shelling and gun battles between Syrian and Christian forces in Beirut and the mountains overlooking the capital, The Associated Press reported from Beirut.

Agence France-Presse

General Michel Aoun

Army Said to Kill 5,000 in Somalia

By Jane Perlez
New York Times Service

NAIROBI — A report commissioned by the U.S. State Department says the Somali Army "purposely murdered" at least 5,000 unarmed civilians over 10 months ending in March.

In one instance, at least 500 men of the Isaak clan, whose members make up the major armed opposition to the Somali government, were rounded up and killed by the army, mainly by having their throats cut, says the report by a State Department consultant that documents wide-ranging human rights abuses.

The Somali government denies that the army had killed 5,000 people. Abdi Awale Jama, chargé d'affaires at the Somali Embassy in Washington, said: "This is an old, rehashed story. I can't say that it accurately reflects what happened."

"The mission of the Somali Army is to defend Somali territory, not to kill Somali citizens," he said. "But sometimes mistakes happen. The Somali Army was not the initiator of the violence. Elements opposed to the Somali government came across the border from Ethiopia, armed to the teeth. Some innocent civilians were caught in the crossfire and were killed."

The Somali Army has received U.S. military aid as part of Washington's support of the military government of President Mohammed Siad Barre over the past 12 years. The United States has an agreement that allows it military use of the port of Berbera on the Gulf of Aden.

As an expression of Washington's disapproval of the government's human rights abuses, $2.5 million in military aid to Somalia has been recently suspended along with $21 million in economic aid, the State Department said.

Somalia is in a state of "disintegration," a department official said, adding that the government had lost control of most of the country and that clan rivalry had taken the upper hand.

But the official described the port of Berbera as "still important to our interests," because of its strategic position as a staging post for sending troops to southwest Asia.

The findings in the report, by Robert Gersony, a consultant to the State Department who did a similar investigation for the department last year on Mozambique, are based on more than 250 interviews with Somali refugees who have fled as well as with Somalis and foreigners in the country.

It covers the period from May 1988 — when fierce fighting broke out in the north between the government and the Somali National Movement, based on the Isaak clan — to March 1989.

As a result of that fighting, concentrated around the northern town of Hargeisa, more than 300,000 Somalis of the Isaak clan walked across the border to Ethiopia, where most remain in camps run by the office of the UN High Commissioner for Refugees.

The report said the Somali National Movement had also killed unarmed civilians but asserted the number was much smaller than on the government side.

At least several hundred civilians were killed by the rebels during the first three months of their 1988 offensive, the report said.

In documenting what appeared to be "widespread, systematic and extremely violent assault" on the unarmed civilian Isaak population in northern Somalia, the report said the brutalities took place even though there was no danger to the Somali armed forces.

The army appeared to have made systematic attacks against Isaak villages, watering points and grazing areas while at the same time conducting "roundups, summary executions and massacres of many hundreds, if not more, of unarmed civilian Isaaks."

Arabs Kill 4 Seen as Traitors

Wave of Violence Hits Territories

By Joel Brinkley
New York Times Service

JERUSALEM — At least four Palestinians accused of cooperating with Israeli authorities were killed by fellow Palestinians over the weekend, including the chief administrative officer of the West Bank town of Kalkilia, who was shot by masked assailants in his home.

The deaths are part of an escalating wave of intra-Arab violence that seems to be cheering Israeli officials, who believe it is drawing attention away from the army's activities in the West Bank and Gaza Strip. Leaders of the Palestinian uprising are now acknowledging that the violence is spiraling dangerously out of control.

The killings of the four supposed "collaborators" are only one element of a diverse array of mayhem that struck Israel and its occupied territories Saturday and Sunday.

Late Saturday night, an Israeli soldier was shot and killed in a firefight with Palestinian guerrillas trying to sneak into Israel from Lebanon. One of the guerrillas was also killed in the clash, which occurred just over the Lebanese border from the Israeli-annexed Golan Heights — an unusual area for infiltration attempts. The Syrian-backed Popular Front for the Liberation of Palestine claimed responsibility.

In the West Bank town of Nablus on Sunday, Israeli troops shot and killed a Palestinian demonstrator as he was fighting a firebomb, apparently preparing to throw it at an army patrol, the army said. Doctors at the Anglican hospital in Nablus identified the victim as Samir Mohammed Rumaneh, 19.

Also Sunday, an Israeli policeman was in the intensive care unit of a Jerusalem hospital with burns across 25 percent of his body after his car was struck by a firebomb in East Jerusalem on Saturday.

The authorities said that near midnight on Saturday, an Arab from Ramallah wielding a knife attacked and wounded the driver of a public bus on the Jerusalem-Tel Aviv highway.

The driver managed to stop the bus safely, and passengers attacked the Arab, screaming, "Kill him!" A police patrol arrested the man, holding off the enraged passengers at gunpoint. The driver, Ruven Asor, 40, was reported in serious but stable condition Sunday with several chest wounds.

The four "collaborator" deaths, as the Palestinians call them, bring to 33 the number of Arabs killed by other Arabs since the end of July.

Both Israeli officials and Palestinian leaders say that some of those killed as collaborators are not known to have ties to Israeli authorities.

U.S. Sees Long Hostage Wait

Officials Say Iran Must Be Inclined, Then Able, to Deal

New York Times Service

WASHINGTON — The Bush administration has concluded that despite hints of Iranian interest in a deal for the release of American hostages, Tehran's new leadership has not decided to act. Government officials say it could be a long time before it does.

Iran is heading in a more pragmatic direction since the death of Ayatollah Ruhollah Khomeini on June 3, the officials say. But there is no indication that its leaders have decided that helping to free the eight Americans in Lebanon would have political benefits.

The officials say Iran's domestic concerns will be decisive in its handling of the hostage affair.

As a result, since Washington has no military option and since it is unwilling to bargain with Tehran, administration officials have concluded that the White House can do little but wait for the Iranian leadership to be politically inclined and politically able to work for the hostages' release.

Israeli officials say they understand that the best favor they can do the administration — and U.S.-Israeli relations — is to prevent the issue from becoming contentious. They can achieve this by saying as little as possible about the hostage situation or the fate of the Lebanese spiritual leader they are holding, Sheikh Abdel Karim Obeid.

President Hashemi Rafsanjani has appointed a government made up largely of U.S.-trained technocrats and individuals committed more to economic development than spreading revolution. Alluding to this fact, an administration policymaker said:

"Things in Iran are changing for the better, but more has to happen. Sometimes one has to be patient, which should not be confused with a lack of interest.

As administration analysts see it, the core of the problem is that the taking of hostages was not simply an Iranian foreign policy decision, which could easily be reversed.

Rather, it was part of the essential theology of the Iranian revolution, which was to punish the United States for involvement in Iran.

"The hostages are part of the legacy of Khomeini," said Fouad Ajami, an expert on Iran at the Johns Hopkins School of Advanced International Studies in Baltimore. "They were taken on his watch."

Mr. Ajami added: "The new Iranian regime has to decide what will be a decent interval between Khomeini's death and a deal for the hostages. It is Iran's call. The Bush administration cannot speed up the course of Iranian history."

Even movement toward greater pragmatism in Tehran will not automatically lead to a solution of the hostage crisis, State Department analysts say.

For instance, Mr. Rafsanjani may decide to hold onto the hostages to placate hard-liners while he tries to revamp his economy with Western aid.

Last week, the Iranian press quoted Ali Mohammed Besharati, Iran's deputy foreign minister, as saying that as "a sign of goodwill, the United States should denounce the interference in Iranian affairs by previous administrations and release the Iranian assets with no conditions."

"They keep requesting that we make the first move," a State Department official said. "And that is just not going to happen."

—THOMAS L. FRIEDMAN

Iran Warns U.S. On Interference

The Associated Press

NICOSIA — The Iranian parliament said Sunday that a recent request by some U.S. members of Congress that the Bush administration support Iranian rebel groups was a call to overthrow the government. It warned of unspecified consequences.

Tehran radio, monitored in Nicosia, quoted the parliament speaker, Mahdi Karrubi, as saying U.S. leaders would "take the wish of overthrowing the Islamic Republic to their graves."

He described the move by the congressmen as "stupid" and said the action demonstrated the "failure to realize the depth and dignity of the Islamic revolution," the radio reported.

Philippine Typhoon Kills 16

United Press International

MANILA — A typhoon designated Sarah smashed across the northern Philippines on Sunday, triggering floods and landslides that left at least 16 persons dead and more than 3,000 homeless.

WORLDWIDE ENTERTAINMENT

LIDO

6 p.m. dinner dance, champagne and show : F 530
10 p.m. and 12 p.m. champagne and show: F 365
Service included
Paris 116 bis, Champs-Elysées, Res. Call (1) 45.63.11.61
Travel agents and Hotels

International Herald Tribune
Published With The New York Times and The Washington Post

日本印刷実施

Now Printed in Tokyo For Same-Day Delivery to Most Homes & Offices in Japan
To subscribe call our Tokyo office
(03) 201 0205
Or write: TJM, 2F. Mainichi Newspaper, 1-1-1 Hitotsubashi, Chiyoda-ku, Tokyo 100
Or Telex: 33673. Or Fax: (03) 214 4045.

WORLDWIDE ENTERTAINMENT

FORMIDABLE
THE CENTENNIAL SHOW
8 p.m. dinner dance
champagne and show F.F.530
10 p.m. and midnight,
champagne and show F.F.365
Service included
MONTMARTRE - PLACE BLANCHE
Tél.: (1) 46.06.00.19 and Agencies
Télex : 642978 MOROUGE
Fax : (1) 42.23.02.00

INTERNATIONAL SECRETARIAL POSITIONS

DU PONT DE NEMOURS

Dans le MONDE : 140 000 personnes, 135 implantations, 33 milliards de $ de C.A
1 800 produits et gammes de produits
En FRANCE : 1 600 personnes, 6 milliards de francs de C.A.

EXECUTIVE BILINGUAL SECRETARY

DEPARTEMENT PROTECTION DES CULTURES

Le Business Manager du Département (Europe / Moyen-orient / Afrique) et son equipe recherchent leur nouvelle secrétaire de Direction.
Parfaitement bilingue, vous assurerez avec efficacité la frappe des courriers et des rapports, en anglais le plus souvent, en français si necessaire (travail avec dictaphone pour une personne du groupe).
Pour organiser les voyages, assurer le bon fonctionnement des réunions et representer notre Département par contacts téléphoniques, vous mettrez en avant vos talents de négociatrice et de reelles qualites relationnelles.
De niveau BTS, vous maîtrisez toutes les finesses du traitement de texte, des tableurs et des outils bureautiques.
Sens des responsabilites, respect des priorités et dynamisme peaufineront votre profil.
Votre connaissance d'une troisieme langue europeenne serait appreciee.
Restaurant d'entreprise. Avantages sociaux.
Merci d'adresser lettre manuscrite, C.V. + photo et pretentions a

DU PONT DE NEMOURS (FRANCE) S.A.
Departement des Ressources Humaines/MA
137, rue de l'Universite
75334 PARIS CEDEX 07

THE THIRD LARGEST EUROPEAN LABORATORY
situated in the southern outskirts of Paris, near RER is seeking for one of its UNITS OF PHARMACEUTICAL RESEARCH a

BILINGUAL SECRETARY
ENGLISH-FRENCH

Profile :
- 25/35 years old, BTS (bilingual English-French)
- Perfectly bilingual, with shorthand
- Enjoys working in a team
- Used to word-processing
- At ease with international contacts.

Your initial experience as a scientific secretary has made you at ease in the preparation of medical reports, including tables and graphs ; in the administration of work schedules and the organization of trips and international meetings, follow-up of files and the administrative coordination of the team of research doctors in this unit.

For initial contact, please send a complete file on yourself : handwritten letter, photo, CV and salary requirements under ref. 08.939 to our consultant Denis ROCHE -

BAQ
henry lang international
86, rue de Lille 75007 PARIS

EPSON
ENGINEERING S.A.
FRANCE

L'expansion de notre PME japonaise d'assemblage d'imprimantes de qualité, filiale du groupe SEIKO-EPSON CORPORATION, nous amène à chercher une

Véritable Assistante d'Ingénieur

Parfaitement bilingue, titulaire d'un BTS "Secrétariat de Direction" pour assurer :
- Préparation et suivi des dossiers administratifs et techniques, des réunions, des budgets, des rapports.
- Secrétariat de Direction, traductions.
- Assistance des Ingénieurs au sein du département de production.
- Maîtrise du travail sur ordinateur (PC).
- Expérience exigée en milieu industriel (5 ans minimum).
- Esprit d'initiative, synthèse, rigueur.
- Origine britannique ou américaine souhaitée.

Lieu de travail : BONNEUIL SUR MARNE - 94 - (RER).
Merci d'adresser votre dossier de candidature (lettre manuscrite, CV, photo) sous réf. 59 7815 HT, à notre Conseil qui vous garantit la plus stricte confidentialité.

EQUIPES ET CARRIERES
4, rue de la Bienfaisance 75008 PARIS

Southern Paris suburb, near RER
LARGE PHARMACEUTICAL GROUP
seeks for the
MANAGEMENT of its INTERNATIONAL ADMINISTRATIVE CONTROL SECTION a

BILINGUAL SECRETARY
ENGLISH-FRENCH

MISSION :
At the heart of the group's management of administrative control, you will handle, in an international context, the financial, commercial and production records. In contact with several countries, you will participate, after your integration and training, in the production of various managerial documents.

PROFILE :
25 to 30 years old, Secretarial BTS. Perfectly bilingual in English and very much at ease with computers (word-processing, graphs, indexed lists). You like figures and administration.

If you want to work with a young team, within a large pharmaceutical group which offers you promotional possibilities, send your complete file : handwritten letter, CV, photo and salary requirements under reference 08.940 HT to our consultant Denis ROCHE -

BAQ
henry lang international
86, rue de Lille 75007 PARIS

PARIS LA DEFENSE
Immediate openings for

BILINGUAL SECRETARIES
French - English

Multinational is seeking juniors secretaries and typists with two - three years of experience. Work permit required.
Please send resume to reference 4221
ORGANISATION ET PUBLICITE - 2, rue Marengo
75001 PARIS who will forward.

EXECUTIVE SECRETARY
English mother tongue

Good Italian, maximum 30 years of age, nice presence, no family ties, free to travel.
To assume secretarial duties for the managing director, based in Milan.
Top level position and excellent salary.
Send curriculum vitae and photo to:
SESTANTE S.r.l.,
Via Ippolito Nievo 41, 20145 Milan, ITALY.

SECRETARIAL POSITIONS AVAILABLE

HOPITAL AMERICAIN DE PARIS
recherche pour son Directeur du Department Strategie, Planning, et Marketing
SECRETAIRE DE DIRECTION BILINGUE
Responsable de l'organisation et de la gestion de son secretariat.
- Traitement de texte et bureautique,
- Très bonne maîtrise de l'Anglais. (lu, ecrit, parlé).
Merci de bien vouloir adresser lettre manuscrite, C.V. et photo au Service du Personnel 63 Bd Victor HUGO 92202 NEUILLY S/SEINE

SECRETARIAL POSITIONS AVAILABLE

Vice President of large international organisation seeks:
EXPERIENCED EXECUTIVE SECRETARY
Long hours and organisation required to handle everything from typing and filing to corporate communications. Initially, you will need to organize us (new office) and then ...
Fluency in English and French essential, other languages helpful.
References required.
Mail your CV, photo and salary requirements to the following address:
CABINET PREFIX
Ref. AB.
3, Bvd. Sebastopol, 75001 PARIS

THE INTERNATIONAL CHAMBER OF COMMERCE, PARIS requires:
BILINGUAL SECRETARY
(English/French)
English mother tongue.
Excellent typing.
Practice of word processor essential.
Apply with C.V. and salary expectations to: Personnel Director ICC - 38 Cours Albert 1er - 75008 PARIS.

SECRETARIAL POSITIONS AVAILABLE

PRESTIGIOUS LAW FIRM in Paris 16th requires English mother tongue
SECRETARY
fluent French
to work at partner level.
Word processing required.
Good salary & pleasant environment.
Excellent opening for outgoing person.
Please send CV, photo & salary requirements under reference 7976 to
CLIADRE INTERNATIONAL
18, rue de la Paperiere
75008 PARIS

INT'L PROPERTY GROUP based in Antibes (French Riviera), seeks an
EXECUTIVE SECRETARY
for its Sales Manager. Candidates must be bilingual French/English, be familiar with Macintosh desk computer and have excellent communicative/organizational skills. Previous experience with property agent or developer would be appreciated. Reply with CV, Box 1032, Herald Tribune, 92521 Neuilly Cedex, France.

MINERVE seeks for AMERICAN FIRMS in PARIS:
English, Belgian, Dutch or German secretaries, knowledge of French required, English shorthand. Bilingual telexists. Write or phone: 138 Avenue Victor Hugo, 75116 Paris, France. Tel: (1) 47 27 61 69.

LAW FIRM SEEKS
BILINGUAL SECRETARY
Fluent French & English.
Word Processor WANG.
Send CV & photo to:
ROGERS & WELLS
47 Avenue Hoche. 75008 - PARIS

SECRETARIAL POSITIONS AVAILABLE

RECEPTIONIST WANTED either British, Dutch or German nationals, fluent written/spoken English & French. Able to type. A good heart, with morality & intelligence required, or person with plain common sense. A literary woman with a commercial sense preferable. Send CV & photo to: General Secretary, Japanese Chambre of Commerce & Industry, 1 avenue de Friedland, 75008 Paris. No phone calls please.

AMERICAN PUBLISHING COMPANY seeks for Paris advertising department dynamic secretary/assistant, perfectly bilingual English/French (additional European language a plus). Only detail conscious applicants with good typing skills need apply. Send resume and salary requirement to: Reply Box 1024, Herald Tribune, 92521 Neuilly Cedex, France.

The AMERICAN UNIVERSITY of Paris is searching for a secretary to the Dean of Student Affairs. Candidates must have excellent secretarial/organizational skills together with the ability to communicate with people. Bilingual English/French. Working papers essential. Please call Miss Rocher on 45 55 91 73.

LAW FIRM LOCATED IN PARIS is looking for a bilingual secretary with an excellent level of English. Prior experience in a law firm would be well appreciated. Please send your resume, stating salary requests to: Madame Renon, 6 bis rue de Montevideo, 75116 Paris.

BILINGUAL ENGLISH-FRENCH secretary, if possible use of other languages, knowledge of word processing on computers necessary. Confirmed previous employments. A sense of initiative and organization. Send CV + letter to: EuroPACE - 7, Place de la Defense, 92090 PARIS LA DEFENSE.

EXPERIENCED BILINGUAL secretary, English mother tongue, EEC, seeks part-time position. Tel. 46.02.15.45

SECRETARIAL POSITIONS AVAILABLE

EXECUTIVE SECRETARY, highly experienced perfectly bilingual English/French for CEO of int'l M+A advisory firm. Salary commensurate with capacity to maintain perfection & humor under stress. Box 1010, Herald Tribune, 92521 Neuilly Cedex, France.

BILINGUAL ENGLISH-FRENCH Secretary required by diplomatic mission. Please apply by 12th September, along with photo and C.V. to: Third Secretary (ADMIN), Embassy of Pakistan, 18, rue Lord Byron, 75008 Paris. Tel: 45 62 23 32 / 44.

EXECUTIVE SECRETARY English/Spanish. Personal assistant to businessman in California. Some travel required. Non-smoking. Send reply and picture to: PO Box 119-A, Marina Del Rey, California 90292, or call (213) 231-5151 USA.

EXECUTIVE SECRETARY, French-English, personal assistant to businessman in Paris & New York, willing to travel & free bilingually. Send CV & photo to Box 1020, Herald Tribune, 92521 Neuilly Cedex, France.

BILINGUAL ENGLISH/FRENCH administrative secretary needed immediately for Language program in Paris. Working papers necessary. Accounting, educational experience & computer skills preffered. Tel: 46 33 18 52

INTERNATIONAL LAW FIRM in Paris seeks English mother tongue secretary with excellent shorthand in English and working knowledge in French. Apply with CV to: Reply Box 0795, Herald Tribune, 92521 Neuilly Cedex, France.

YOUNG, dynamic, totally bilingual secretary for literary agency. CV/photo Box 1021, HT, 92521 Neuilly Cedex

SECRETARIES AVAILABLE

RANDSTAD BILINGUAL AGENCY
Specialized in Highly Qualified Fully Bilingual Temporary Office Personnel
Paris: 46 40 39 78

A U-Turn By Polish Minister

General Disowns Prague Invasion

Reuters

WARSAW — The Polish defense minister, General Florian Siwicki, who led Polish troops in the 1968 Warsaw Pact invasion of Czechoslovakia, now says the intervention should not have taken place.

The defense minister, a Communist Party member, made his about-turn during questioning on Saturday by a parliamentary commission checking his credentials in the new Solidarity-led government.

State television reported his comments.

Both houses of the Polish parliament, the Sjem and the Senate, have passed resolutions condemning the Soviet-led invasion.

"At the time I was doing my duty with conviction," General Siwicki said. "I thought what I was doing was right. Relations with the North Atlantic Treaty Organization states were tense, and the Cold War was under way."

"Now I see that one could have acted differently," he added. "The intervention should not have taken place. I agree with the Sejm declaration on that."

General Siwicki's candidacy was approved by the commission after several hours of questioning.

Parliament is due to vote Tuesday on approving Prime Minister Tadeusz Mazowiecki's proposed 23-man cabinet, which includes 11 Solidarity representatives, four Communists, an independent and seven men from two small parties that have traditionally supported the Communists.

3 North Koreans Go South

Agence France-Presse

SEOUL — Two soldiers and a woman from North Korea defected Sunday by swimming several kilometers across the Han River estuary to reach a military outpost in South Korea, the Defense Ministry reported.

Auschwitz: More Than Convent at Stake

By Peter Steinfels
New York Times Service

NEW YORK — Seldom in recent times have prominent Roman Catholic cardinals been in such public disagreement as they were last week after Cardinal Jozef Glemp proposed discarding a 1987 agreement to move a convent of Carmelite nuns from the site of the Auschwitz death camp.

The blunt response by three Western European cardinals, backed by other leading churchmen in Europe and the United States, to Poland's Roman Catholic primate revealed that Catholic views on the convent overlapped considerably with Jewish opinion.

These Catholic leaders agree with Jewish representatives that the convent's presence, regardless of the nuns' intentions, affronts Jewish sensibilities about the special meaning of Auschwitz and that the 1987 accord signed by the three European cardinals must be carried out as quickly as possible.

Beyond this strong core of agreement, however, there are differences in attitude toward the convent controversy, not only between Catholics and Jews but within the two groups.

These nuances help to explain how an issue, once thought resolved, has developed into a major setback for relations between Catholics and Jews. The differences also indicate the deep chasms in religious perceptions that interfaith discussions have yet to bridge.

With very few exceptions, Jews have agreed that an explicitly

NEWS ANALYSIS

Christian institution like the convent, where the Carmelite nuns live a life of prayer almost entirely cut off from the world, does not belong at the Auschwitz site.

Jewish opinion is divided not about moving the convent but about how much trust to put in Catholic pledges to do so.

Jewish veterans of Catholic-Jewish conversations are convinced of what they call the existence of residual anti-Semitism and insensitivity to Jews within the church.

But they trust the relocation will be pushed through by people like Cardinal Jean-Marie Lustiger of Paris, whose mother died at Auschwitz, or Cardinal Johannes Willebrands, who runs the Vatican's office for Catholic-Jewish relations, or a host of other Catholic officials who have demonstrated an understanding for Jewish concerns.

Other Jewish spokesmen say they believe that only a barrage of public pressure will achieve their ends. They construe the convent at Auschwitz in more threatening terms, as part of a deliberate effort to convert Jews or to submerge the Nazi genocide of Jews in the imagery of Christian martyrdom.

They see Pope John Paul II as conniving to keep the convent where it is by refusing to intervene decisively in the controversy. Their indictment of the convent merges quickly with an indictment of historic Christian, Polish or papal anti-Semitism.

Differences of opinion among Catholics on the convent question have often emerged in reaction to these strong Jewish sentiments.

Although some church members appreciate Jewish feelings about Christianity's role during the Holocaust or the dangers of overwhelming the memory of Jewish deaths with Christian symbols, many other Catholics have simply found the controversy puzzling. In the Catholic imagination, few things are less threatening than a convent of nuns devoted to prayer and penance.

Because such a cloister is also viewed as a consecrated area, the incursion onto the convent porch by Rabbi Avraham Weiss of New York and six other Jewish demonstrators shocked many Catholics.

When Cardinal Franciszek Macharski of Krakow complained that no Jewish group outside Poland had criticized that demonstration, he was reflecting a widespread Catholic impression.

But Sir Sigmund Sternberg, a leader of British Jewry and chairman of the International Conference of Christians and Jews, wrote Cardinal Macharski with a long list of Jewish leaders who had dissociated themselves from that kind of demonstration.

Statements criticizing the papacy or holding the pope responsible for moving the convent have similarly fed Catholic resistance to its relocation. Concluding an opinion column defending the Vatican from charges of sharing moral culpability for the Nazi genocide, the American political commentator Patrick J. Buchanan wrote, "To hell with the slanderers, and God bless the nuns at Auschwitz."

Mr. Buchanan's view drew fire from both Catholics and Jews. But ecumenically minded Catholics have also complained of Jewish tendencies to underestimate the papacy's religious significance and overestimate its bureaucratic power.

Cardinal John O'Connor of New York, who has spoken out in support of the convent's relocation and called Cardinal Glemp's critical remarks about Jews "extremely harmful," nonetheless objects strongly to "the assumption that the pope can snap his fingers, a new convent will be built, the nuns will leave and all the problems will be solved."

Rabbi A. James Rudin, who heads the International Jewish Committee for Interreligious Consultations, drew a further lesson from the conflict.

"Once we start trifling with each other's sacred symbols," he said, "whether the papacy, the cloister or the memory of the Holocaust, that way lies disaster."

Under Fire Over Convent, Glemp Cancels Visit to U.S.

By John Tagliabue
New York Times Service

WARSAW — Cardinal Jozef Glemp, the Polish church leader who has incurred criticism for his remarks in the dispute over a convent at the site of the Auschwitz death camp, has canceled a scheduled visit to several U.S. cities, the Polish press agency PAP reported.

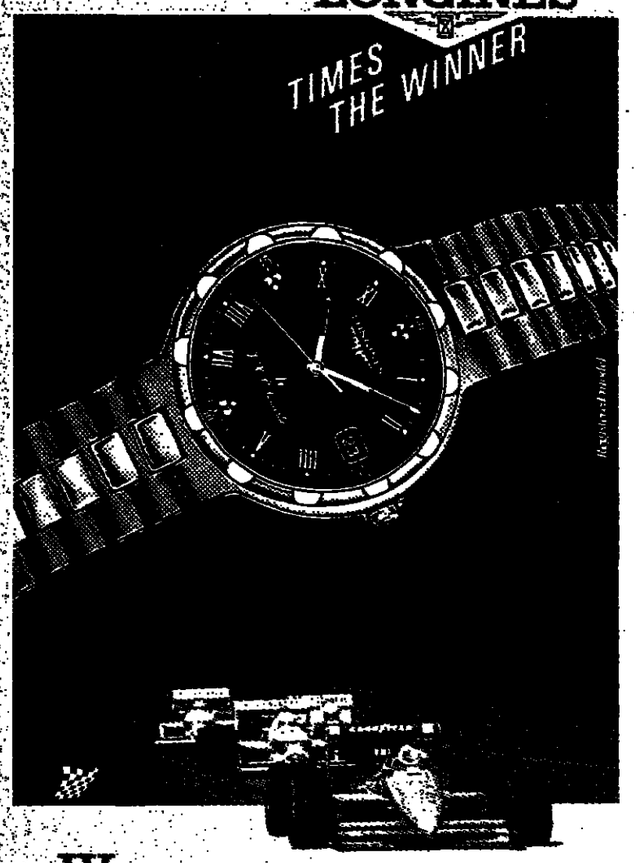
The agency said that Cardinal Glemp, the Roman Catholic primate of Poland, had canceled the visit "due to circumstances unfavorable for pastoral purposes." It did not refer to the controversy over the convent.

The visit, which was to have begun Sept. 21, would have taken the cardinal to Chicago, Cleveland, Milwaukee, Detroit, Washington and Boston, most of which have large Polish populations.

Cardinal Glemp recently called for renegotiation of a 1987 agreement to relocate the convent and described as "incompetent" the church officials who negotiated it. His stance has disturbed Jewish leaders and other Catholic officials.

The decision to cancel the visit came several days after Jewish leaders in the United States announced that during the trip they would file suit against him for defamation.

Rabbi Avraham Weiss of New York had said that he planned to bring suit for statements by the cardinal last month that appeared to imply that Rabbi Weiss and six other American Jews had sought to harm the nuns at the convent during a protest at the camp on July 14.



Winning calls for many qualities, not least shrewd judgement. So does choosing a watch. Which is why so many winners choose Longines. Combining elegance with super-accuracy, the outstanding Longines Conquest VHP (Very High Precision) is probably the most advanced watch in the world. A watch made for winners, in every field.

LONGINES

Longines times winners – winners choose Longines

INTERNATIONAL Herald Tribune
Published With The New York Times and The Washington Post
Edited in Paris TUESDAY, JUNE 10, 1989 Printed in New York

RETURNING TO NORTH AMERICA?

You Can Now Receive Same-Day Delivery of The Global Newspaper in Key American Cities.

To subscribe call us toll-free in the U.S.:
1-800-882 2884.
(In New York, call: 212-752 3890.)
Or write: International Herald Tribune, 850 Third Ave., New York, N.Y. 10022.
Or Telex: 427175, Or Fax: 212-7558785.

CAREER OPPORTUNITIES

Marketing Director
Car Industry

Worldwide our name stands for innovation and advanced automotive technology. We develop and manufacture top quality German products with 8.000 higly motivated employees. Our consistent management strategies combined with progressive engineering know-how will help us meet future technological challenges as well as our ambitious goals.

The marketing director will report to the Executive Vice President Sales and Marketing and will be fully responsible for further development and establishment of effective marketing strategies for our specific target markets as well as for creating innovative marketing measures.

The position requires professional management of the following departments: product planning/ pricing, market planning including market research, sales promotion and active cooperation with the engineering and sales departments.
This is a challenging opportunity for a marketing or sales professional aged 35 to 50 with experience in the automotive-, hightech-, consumer and utility goods industries or in the consulting business. Furthermore, we expect a flexible and creative individual with analytical capacity and persuasiveness. Excellent English and working knowledge of German is necessary. Remuneration and fringe benefits are attractive. Location is Stuttgart. Please send résumé with full details of experience and present salary to our consultant, Ms. Renate Seeger, Roland Berger & Partner GmbH, Internationale Personalberater (BDU), Vor dem Lauch 25, 7000 Stuttgart 80. For first contact please call: 0711/7 28 11 31. Your application will be treated in strict confidence.

Roland Berger & Partner GmbH
Internationale Personalberater (BDU)

AMADEUS
AMADEUS DEVELOPMENT COMPANY
REPORTING OFFICER
CIRCA £ 18 000
SOPHIA ANTIPOLIS - NICE - FRANCE

We are the R&D company of Amadeus, a group created by four leading european airlines companies (Air France, Iberia, Lufthansa, SAS) whose mission is to realize and market the worldwid leading distribution system of information and services for the travel industry. Our holding and marketing companies are located in Spain, our operational center is based in Germany. We are located near Nice (South of France), in Sophia Antipolis When it is fully operational, in 1990, the group will employ 600 people and we will be around 250 in Sophia.

In this perspective, we are seeking to recruit our reporting officer to be responsible for the provision of financial data to board level, the production and control of all reporting activities (budget, treasury, long term planning) Working closely with the Financial Manager he will report to, he will have to conceive and implement our management information systems within a multinational environment and a multi-site company.

We are looking for a young candidate with a qualified or certified accountant degree Aged around 25, 2 to 4 years experience, he has excellent financial and communication skills, and ability to implement computerized information systems (micro computer IBM, Lotus 1-2-3).

Please write, under ref.909/04/HT, to Monique Herbet - Arthur Young Conseil - Tour Manhattan - Cedex 21 - 92095 Paris La Défense 2 - France.

ARTHUR YOUNG CONSEIL
GROUPE HSD

Carré Tarantino

Attorney

The World Bank, the leading institution in the field of economic development in developing countries, is seeking a high caliber Attorney for the Administration Unit of its Legal Department.

The Administration Unit is responsible for providing a variety of legal services relevant to the World Bank's functions in the United States and elsewhere in the areas of personnel, compensation and benefits, procurement of goods and services, formulation of staff rules, policy reviews, U.S. Federal income taxation, pension plan administration, and real estate.

Applicants should have a LLB/J.D., with legal skills in litigation or appellate proceedings, U.S. Federal income taxation, pension plan administration, real estate, procurement and negotiation. A minimum of five years relevant experience is required. Fluency in English and the ability to write well and explain legal issues to laymen, are essential.

A competitive salary and benefits package is offered.

Please write with full Curriculum Vitae to: The Recruitment Officer, International Recruitment Division, Room No. 0-4141, The World Bank, 1818 H St. N.W., Washington, D.C. 20433, USA.

The World Bank

EXECUTIVE POSITIONS AVAILABLE

AGRICULTURAL ENGINEER
Immediate Opening in
Dar es Salaam, Tanzania

Experience in tea, cotton, coffee, and sisal production and processing. One-year position to provide technical assistance to project appraisal unit of agricultural development bank.

Fax CV to USA (202) 331-8202, Attn. J. Burland. Or mail CV to J. Burland, 2000 M St, NW, Suite 200, Washington, D.C. 20036.
Please respond by Sept. 14, 1989.

DIRECTOR WITH GREAT Entlerainment and knowledge required for beautiful small relais chateaux in Tuscany, Italy. Mother tongue Italian, possibly with knowledge of English, French and German. Excellent background, high working potential, strong experience. Very attractive salary to the right person. Only really experienced persons with serious references should apply. Mail curriculum to: Mrs. Laura Russo, Via S. Gallardo, 26 - 20052 Monza (Milano).

ART DIRECTOR
Advertising A.D. - strong on concept, experienced in TV - is urgently needed to form team with prizewinning Senior Copywriter-Creative Director based in Paris. Reply Box 1030, Herald Tribune, 92521 Neuilly Cedex, France.

INT'L MOVING COMPANY, needs General Manager for Paris office. Good knowledge of Paris multinational market. Speaking French & English. Good salary + car + bonus and all securities. Reply Box 0898, IHT, 92521 Neuilly Cedex, France.

DYNAMIC SALES LADY And Sales Secretary to sell spirits. British or EEC national. Minimum 2 years experience, free to travel, Bilingual French/English. Please send CV and photo to Box 3139, I.H.T., 63 Long Acre, London, WC2E 9JH.

EXECUTIVES AVAILABLE

FRENCH INDUSTRIAL MARKET BUSINESS CONNECTIONS
Manager, engineer, with own successful organization for int'l representations and operations (company based in Paris 8), seeks contact with companies who need a trustworthy and experienced professional in France. (Fluent in English, German and Italian)
Reply Box 0992, Herald Tribune, 92521 Neuilly Cedex, France.

EXECUTIVES AVAILABLE

YOUNG GERMAN LADY (27)
With 5 years experience in merchandising and PR for multinational company, offers her collaboration as personal assistant to high-ranking person (preferably based in N.Y. or L.A.). Excellent presentation, high education, efficient organizer. Fluent in English, French, German, Italian. Well traveled in Europe, Far East, USA. Flexible and free to travel any time.
Please reply to: International Herald Tribune, Box 679, Via Cassala 6, 20122 Milan, Italy.

INTERIOR DESIGNER, ARCHITECT (University of Florence). Photo-Stylist. Italian, 28, resident in France, with professional knowledge of contemporary furniture & design + experience in advertising & promotion of furniture & shelter accessories. Seeks Paris-based position in retail or wholesale showrooms, furniture, fabrics, etc. including product display, publicity, sales, trade shows. Evenings phone Spadafora in Paris (33-1) 42 93 08 91 or reply to: Box 1038, IHT, 92521 Neuilly Cedex, France.

EURO - AMERICAN
US citizen, seeks new challenges at European/international level. MBA INSEAD, 40, European marketing, business development experience, 6 years as consultant to computer/electronics industry. Fluent French, German, basic Italian. Please write to: International Herald Tribune, Box 3664, Friedrichstr. 15, D-6000 Frankfurt/M., W. Germany.

SEEKING POSITION IN THE AREA OF Cannes, Grasse, Sophia Antipolis in France. Conscientious and reliable French woman, 34, MA graduate, speaks French, English, Italian, Spanish, some German, 10 years international experience in trade/investments/communication and journalism. Serious offers only reply to Box 1023, Herald Tribune, 92521 Neuilly Cedex, France.

FRENCH SENIOR EXECUTIVE with comprehensive background at top management level, both in regional HQ and field affiliates of major U.S. multinationals in France and abroad, fluent English and Spanish, knowledge of Portuguese, looking for consequent position in industry, trade, finance or services. Reply Box 1039, Herald Tribune, 92521 Neuilly Cedex, France.

BUSINESS WOMAN Seeks research/marketing work in Western/Soviet Trade. Experienced, Russian speaking graduate, secretarial skills. Sarah Stamford, 68 Broadwick Street, London W1N 1FA.

EXECUTIVES AVAILABLE

READY FOR EUROPE 1992? Strengthen your presence now with experienced American executive, 36, quadrilingual, Harvard grad, French work permit. Reply Box 1041, Herald Tribune, 92521 Neuilly Cedex, France.

US INT'L LAWYER - FINANCIER, based in Paris. Top credentials, fluent French & Arabic. Seeks challenging post in finance, investments in Europe or Middle East. Call 42254215 or write Box 1042, IHT, 92521 Neuilly, France.

GENERAL POSITIONS AVAILABLE

CHIEF RECEPTIONIST and personnel for conciergerie are required for an elegant Hotel in Tuscany, Italy. Excellent background and experience required. Good salary offered to the right persons. Spoken languages: Italian, English and French. Mail curriculum to: Mr. C. Guerino, Via Senesa 10, 06100 Perugia (Italy).

TRAVEL SECRETARY/PA, English mother tongue, languages, cultured, organized, stylish, for professor, consultant and writer. CV & photo to Box 1007, IHT, 92521 Neuilly Cedex, France.

RETAIL MANAGER IN GERMANY. Emphasis is imported handcrafts. Fluent English, data processing. Primarily commission. Write to: NATURAL STYLE, Saarstr. 24, 5520 Birburg, W. Germany.

OVERSEAS POSITIONS Hundreds of top paying positions. All occupations. FREE DETAILS: Overseas Employment Services, Dept. HT, Box 450, Mt. Royal, Quebec, Canada H3P 3C7.

WE ARE LOOKING FOR A HOSTESS Very good appearance, bilingual French/English. Write: Ivari, 62 ave Foch, 75116 Paris. Tel: 40.67.15.40.

EXPERIENCED BARMEN, waitressing, cooks needed for new bar-restaurant in Paris. Papers required. Students accepted. Tel: 43 36 57 80 M. Vahdi.

GENERAL POSITIONS WANTED

FRENCHMAN AGED 41, CULTURED, fluent English, Italian and German speaker, 15 years in business management, corporate law, finance in France and abroad, seeks employment as private secretary to prominent personality in politics, business or art. Reply Box 1029, Herald Tribune, 92521 Neuilly Cedex, France.

ANTONIO & NETTA - PORTUGESE Domestic couple-age 33. Houseman, driver (silver service). Wife cook, general - excellent cook. Require self-contained quarters - 2 rooms or if West London would come daily live out. Husband clean licence, excellent English. Call Britannia Agency, London 441 332 1404 or Fax:441 730 6290.

GENERAL POSITIONS WANTED

EXPERIENCED ADMINISTRATOR Personable, intelligent 30 year old woman with 5 years experience in commercial construction. Personal assistant to president. Would be great asset. Free to travel. Contact H. Clearman, 232 W. State St., Pasadena, CA 91105 USA

GENEVA AREA. WELL-TRAVELLED AMERICAN ADVENTURESS. EX-STOCK-BROKER, CATERER, COWGIRL, 30, SEEKS EXCITING JOB/LIVING SITUATION. WILL TRAVEL ! FREE NOW. CALL (022) 781 37 00 - OFFICE HOURS.

VIP (AIR) STEWARDESS: Professional, diligent, charming and industrious. Vast airline experience in Middle East and in South East Asia. Seeks employment worldwide. Reply Box 0972, Herald Tribune, 92521 Neuilly Cedex, France.

Energetic, American, 27 yr. old woman seeks challenging position in Austria/France. Available November. BA Liberal Arts. French/Spanish. KMW, 73 Francis Dr., Manchester, CT. 06040 USA; Tel: 203-646-0394

PRESENTABLE 38 YEARS OLD woman, multilingual, experienced, free to travel, seeks challenging position as executive P.R. in foreign company based in Athens. I.H.T. Box 82, Pindarou 26, 106-73 Athens, Greece.

Architectural Graphics Designer of retail signs seeks position in Florence Italy. Print & Macintosh II experience. Cloud, 409 S. 9th St., Philadelphia, PA 19147 USA. 215-981-0200.

GIRL FRIDAY, French, fluent English, German, skilled shorthand/typist, look early retirement from Ministry of France. Available for office & consulting work. Paris 45204366 after 2pm

ATTRACTIVE FOREIGN correspondent female, German, educated seeks challenging assignment. Free to travel. Please phone Germany (0)211/379108.

YOUNG LADY seeks well paid temporary position as Personal Assistant in London. Tel: 0860 220488 UK

EDUCATIONAL POSITIONS AVAILABLE

LANGUAGE SCHOOL SEEKS English or American, German and Spanish teachers and coordinator. Good knowledge of French and working papers required. Send CV & photo to ISIS, 10 rue de Vanves, 92130 Issy (PARIS).

ECOLE DE LANGUE RECHERCHE professeurs d'Anglais, Français, Espagnole et Japonais pour cours de langues commerciale. Envoyer CV a Box 1008, Herald Tribune, 92521 Neuilly Cedex, France.

EDUCATION POSITIONS AVAILABLE

UNIVERSITY OF CALIFORNIA AT BERKELEY
Tenure Track: Urban & Regional Planning in Developing Countries

Practioner-scholar at the Assistant, Associate or full Professor level with commensurate experience as planner/policymaker in developing countries, effective July 1990. Both applied experience and published scholarly research in any specialization dealing with Third World development strategies. Apply (with resume & samples of work) to: Search Committee Chair, Department of City & Regional Planning, Room 228, Wurster Hall, University of California, Berkeley, CA 94720 by November 1, 1989. Prior applicants must reapply to be considered. Call 415-642-3257 for copy of position description. University of California is an Equal Opportunity, Affirmative Action employer.

TRANSFER is looking for experienced English/American language trainers, for full/part-time (15 hrs. min. per week) post immediately. Work papers essential. Please phone 42 66 14 11 for interview or send CV to 20 rue Godot de Mauroy, 75009 Paris.

EXPERIENCED AMERICAN TESL Teachers with working papers needed. Part and full time positions available. Send CV & photo to: I.H.T., Box 1028, 92521 Neuilly Cedex, France.

ENGLISH TEACHERS required, native speakers only, valid working papers. Steady work, contract, good salary. Send CV to: Alloc, 13 rue de Mulhouse, 75002 Paris.

EXPERIENCED AMERICAN EFL teachers needed for American Centers Language Program in Paris. Working papers necessary. Tel: 46 33 18 52

DYNAMIC ENGLISH & American teachers, papers & TEFL wanted. Send CV & photo to Box 1026, IHT, 92521 Neuilly Cedex, France.

URGENT EXPERIENCED TEFL Teacher for September, Paris area, car provided, lodging possible. Tel 3480 6515

SEEK ESL TEACHERS: Mother tongue; experienced; papers. CV to: Inforlec, 37, rue Bergere, Paris 9th

QUALIFIED TEACHERS OF ENGLISH required. Free to start now. Call F.L.E.: 42.64.76.24 Paris

LANGUEX, METRO PONT DE SEVRES looking for English qualified TEFL teachers, full time. Tel Paris 4609 2087

ENGLISH TEACHERS with experience, English American. Send CV: Polyphone 7 av de la Grand Armee, Paris 75116

EXPERIENCED ENGLISH TEACHER sought, knowledge publicity language appreciated. Paris (1) 45.20.25.08

International Herald Tribune
Published With The New York Times and The Washington Post

Divided on the Baltics

What are Americans to make of the nationalist pressures bubbling up in Latvia, Lithuania, Estonia and across the Soviet Union? So long as independence for "captive nations" was inconceivable, it was easy for Americans to espouse. Now that a new kind of government in Moscow is offering the Baltics economic, linguistic and even political autonomy, America's goal is much harder to determine.

To face U.S. interests in these nationalist movements is to be of two minds. One is for independence. How can Americans who urge self-determination in Eastern Europe settle for less for Baltic peoples? The other is for a moderate, reform-minded Soviet Union. Americans have a considerable stake in Mikhail Gorbachev's success, which could be jeopardized by nationalist explosions.

These competing impulses can be satisfied only by intellectual humility and restraint in action.

Moscow has warned of dire consequences if Baltic peoples let "the virus of nationalism" spread unchecked. But Mr. Gorbachev himself helped fan their ardor by naming a commission to examine the 1939 Nazi-Soviet pact. The commission acknowledged long-denied protocols that brought the Baltic republics into the Soviet ambit. That called into question the legitimacy of Soviet control. This exercise in glasnost quickly inspired Estonians, Latvians and Lithuanians to demand their freedom.

Baltic leaders are transfixed by the example of Poland. All four nations date back to the Middle Ages. After centuries of foreign rule, all regained independence after World War I only to lose it at the start of World War II. Now, with Mr. Gorbachev's personal encouragement, Poland is moving to regain much of its lost sovereignty. Dare Baltic leaders settle for less? And who are Americans to question their right to independence?

Americans have an interest in Mr. Gorbachev and his moderate course around the world — withdrawal from Afghanistan, rapprochement with China, military relaxation in Europe, perhaps an end to intervention outside the Soviet Union. All this may be at risk if Moscow is challenged by anti-Russian nationalism throughout its empire. If Mr. Gorbachev felt compelled to crack down, he would set back his reform efforts, strengthen the hand of Soviet hard-liners and Western hawks and chill East-West relations.

Further, Americans have to care deeply about avoiding the bloodshed sure to follow the withdrawal of Soviet military forces from many parts of the polyglot Union of Soviet Socialist Republics.

This is no mere vaporous speculation. Ethnic Russians are bound to react bitterly to national self-assertion by others, much as they did in Estonia and Moldavia. Nationalist ethnic antagonisms have already fired deadly clashes in Armenia, Azerbaijan, Uzbekistan and Kazakhstan in recent days. Three generals of the Soviet internal security forces were even held hostage for five hours by a crowd of Azerbaijanis in the disputed territory of Nagorno-Karabakh.

Difficult as the issue is for Americans to face, it may be impossible to have both a reformed, moderate Soviet Union and full national self-determination for Baltic peoples and other nationalities. On this tormenting question, then, being of two minds may be the only sensible course.

— *THE NEW YORK TIMES.*

The Solidarity Cabinet

Solidarity has taken fewer than half of the ministries in the new Polish cabinet, but it has got the ones that it needs. It will come to office with the country's economy in rapid decline. Solidarity's leaders understand that their extraordinary experiment in democracy will depend heavily on the new government's ability to produce economic growth. Performance is not going to be measured by statistical abstractions, but by the lengths of the lines outside stores and what is on their shelves.

Solidarity's strategists apparently have decided on the cold-bath approach, a courageous though risky choice. As Prime Minister Tadeusz Mazowiecki has been telling his country, things are going to have to get worse before they get better. Any progress toward a free market is going to mean decontrolled prices and fewer subsidies — that is, another surge of inflation and another drop in the standard of living. One possibility would be to try to ease gradually into it, to diminish the impact. But that would stretch out the process, and Solidarity clearly thinks that it does not have a lot of time to waste. The alternative is to move through the next phase as fast as possible, in the hope that benefits will begin to appear before the pain becomes intolerable.

The foreign response is going to make an important difference in Solidarity's success. That is why Lech Walesa spent most of the past week in West Germany, talking not only to government officials but to businessmen who told him what kinds of legal provisions and assurances are going to be necessary before much foreign investment becomes likely. Mr. Walesa gave them a list of possible joint ventures in his home city of Gdansk, and they gave him a list of West German companies that might be interested. Of all the Western countries, it is clearly going to be West Germany that plays the largest role in the coming attempt to revive the Polish economy.

The Communists' four ministries include defense and the interior — that is, the police — to guarantee Poland's continued membership in the Warsaw Pact. But that relationship is also going to change. The new foreign minister, Krzysztof Skubiszewski, belonging neither to Solidarity nor to the Communist Party, is described as an independent. In one of his first public appearances, before a parliamentary committee, he said that he will demand the return of the works of art seized by the Soviets at the end of World War II and the repatriation of the Poles whom Stalin deported to the Soviet Union. Dealing with an ally of Mr. Skubiszewski's independence is going to be a new experience for the Kremlin.

— *THE WASHINGTON POST.*

A Climb for de Klerk

As elections go in South Africa, and that is not too far, this one had a whiff of interest to it. It produced the expected victory by the National Party and its leader, Acting President Frederik W. de Klerk, with a minority of the popular vote and with losses on both flanks. But there is a sense in which people have been waiting for this man — a typically careful Afrikaner but one who exudes a certain studied seriousness and promise — to take over in his own right from the departed P. W. Botha. It falls to him to move past the steps Mr. Botha took in the foothills of reform and to approach the more difficult high peaks in the necessary process of ending apartheid.

Not that it is a sure thing that this is what Mr. de Klerk is up to. He chose to read the elections result as a "clear mandate for the National Party's policy of orderly reform." He was referring to proposals for negotiations to bring blacks into the political structure. This can mean different things. If Mr. de Klerk means "power sharing" within a context of "group rights," he may have difficulty convincing blacks he wants to do more than pretty up the existing system of racial discrimination. He will have to move further to have a good chance of drawing into the mainstream forces represented by the banned African National Congress and its internal allies in the Mass Democratic Movement. The latter organization coordinated the peaceful protests by which blacks strove to make their imprint on the white agenda during the campaign. Mr. de Klerk's government met these protests with arrests and, on election day, with a particularly ugly display of police brutality.

President Bush has shown an unusual personal attentiveness to South African affairs and to South Africans. He has extended lines to both blacks and whites. He favors a quick start by the new government in Pretoria on negotiations with credible black leaders — those who can deliver their community. The State Department, after the elections, declared Mr. de Klerk had won a mandate for "real change" and urged him to go at it. A good start would serve the additional desirable purpose, in the Bush view, of keeping South Africa and the sanctions issue from becoming again a matter of hot American political debate. A policy that enjoyed consensus support would be a welcome change.

— *THE WASHINGTON POST.*

The Simenon Impulse

Devotees of mystery fiction had a true friend in Georges Simenon, who died last week at the age of 86. He gave them Inspector Maigret, 84 times, and he gave them something else as well: Paris. Just as London belongs to Sherlock Holmes and Los Angeles to Philip Marlowe, so Paris belongs to Jules Amadée François Maigret, lover of good food, good wine and that very good woman, Madame Maigret.

This Paris was rendered by a writer with a remarkable gift for narrative and an equally remarkable talent for paring it to the bone. He never wasted words, but was prodigious in producing them. In addition to the Maigret series, he wrote more than 300 novels and novellas.

"When my doctor sees me unhappy," he once said, "he asks me when I finished my last book. And when I say, 'Six weeks ago,' he says, 'Then I have one thing only to prescribe: Start a novel.'" And he did, always with sentences, like these from "Maigret in Montmartre," as seductive as a finger beckoning:

"Sleet was falling, and Jussiaume had stepped into a doorway at the corner of the Rue Fontaine and the Rue Pigalle, to shelter for a moment. The red sign of Picratt's was one of the few still alight round there, and its reflected glow looked like splashes of blood on the wet cobblestones."

For anyone who loves Paris and the promise of a crime to be solved well and truly, the impulse to read on is irresistible.

— *THE NEW YORK TIMES.*

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1958-1982*

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, *Publisher*

JOHN VINOCUR, *Executive Editor* • WALTER WELLS, *News Editor* • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor* • ROBERT J. DONAHUE, *Editor of the Editorial Pages*

RENÉ BONDY, *Deputy Publisher* • ALAIN LECOUR and RICHARD H. MORGAN, *Associate Publishers* • FRANÇOIS DESMAISONS, *Circulation Director* • JUANITA I. CASPARI, *Advertising Sales Director* • KOURDT HOWELL, *Director, Information Systems*

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf Kramphl, 50 Gloucester Road, Hong Kong. Tel. 5-8610616. Telex: 61170 Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 72675S. Tlx 416721 Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1989, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

OPINION

Yugoslavia: A Model of How Not to Reform

By Flora Lewis

BELGRADE — Yugoslavia surged ahead of other communist countries 40 years ago, leaving the Soviet bloc and launching a series of reforms. Now it is first again, but in a different way. It is proving demonstrably that half a reform is not half a loaf, it is no loaf.

The economic crisis is getting worse, with inflation running at 1,500 percent to 2,000 percent. No one is sure. The political crisis, based largely on rival nationalities, is paralyzing the country.

The question is being put whether the federation can survive as a state, or whether there will be attempts at secession. No one responsible believes Yugoslavia will break up, but the strains are intense.

People outside officialdom are openly pessimistic, expecting internal conflicts to increase. Some even say they hope things will get worse because that is the only way they can see to force a breakthrough and get on with full reform.

This is remarkable; there seems to be a broad consensus on what is wrong — the system itself — and what must be done about it — establish a free market and democracy.

All across the political and national spectrum, people say there can be no effective economic reform without democracy, and no successful democracy without a market system. The argument is over what to do about it, how to get there and who should lead.

President Janez Drnovsek, a modest but intelligent, articulate 39-year-old Slovene chosen as a compromise, said: "Certainly this is a change of the system. It is a practical problem, how to design" a new state structure.

The government is putting economic measures first, hoping to make political reform easier, but all say political moves must follow within months.

The government has decided to try to join the European Free Trade Association, comprised of most of the West European countries outside the European Community, because there is no chance of being accepted by the Common Market for a long time.

There is a general push to seek as much involvement as possible with the West, despite Yugoslavia's new chairmanship of the Third World dominated Nonaligned Movement.

"We are crossing the Rubicon of Socialist countries," said Zivko Pregl, deputy prime minister for economic affairs. "The No. 1 task is radical deregulation." There is a long program of far-reaching decisions, including treatment of foreign investors on an equal basis with the Yugoslavs.

But inevitably they entail high social costs as laws are changed to release the profit motive and remove the socialist security blanket. One official pointed out that the public tends to admire those who worked abroad, saved up, and returned to launch a prosperous enterprise.

But those who made their money at home are denounced as cheats who must somehow have defrauded other Yugoslavs. It is still suspect to get rich inside the society.

In this atmosphere of bewilderment and distress, the Serbian leader Slobodan Milosevic has emerged as the magnetic personality. He attracts or repels. Those who fear him say his Serbian nationalism reflects a drive for hegemony, which will provoke other ethnic groups into a hostile coalition, and his strident demagogy and tactics smack of a strongman.

He denies this. He is a bulky 52-year-old with spiky hair, small bright eyes and a soft mouth. In conversation he can be restrained. He wants to make a good impression on Americans. He is a Communist, he said proudly, but Sweden comes near to his "personal vision" of socialism.

Trained as an economist, he talks of the need for free enterprise and profit as the driving power. Asked if he would accept the Swedish system where voters can overthrow a government, he said, "Absolutely, that is the only basis for a democratic society."

But those who have not fallen under his spell do not believe him. They think he wants to be another Tito, the man who made the Yugoslav revolution and the post-World War II system. Perhaps some who adore him hope he will be. Some always yearn for a towering leader.

Apart from Serbian rights, his major theme, Mr. Milosevic disputes the demands for political pluralism. He does not exactly say the communist party must hold all power, since that means bureaucracy, but that there should be democracy without parties.

It is a nebulous concept, which he justifies on the ground that allowing more parties would only aggravate the nationalities conflict. Serbia is clearly more important to him than a political philosophy.

The solution is not in sight. But the message from Yugoslavia to other communist societies is that reforms must not be stopped midway. This only leads to deterioration and complications in finding a way out of a failed system.

The New York Times.

For a Salesman of Chinese Culture, Political Death

By Arthur Miller

ROXBURY, Connecticut — That month in Beijing six years ago was exhausting but exhilarating. As the first foreign theatrical director in the People's Republic of China, I was directing "Death of a Salesman" with Chinese actors in Beijing's People's Art Theater, the equivalent of the Moscow Art Theater. There was a lot of skepticism surrounding the project; many Chinese and foreigners doubted that the Chinese audience would understand the very American play.

As it turned out, we needn't have worried. "Salesman" is about a family and business, and the Chinese practically invented both, and their reaction to my play was little different from what audience reaction had been in New York and in theaters in many other Western cities.

The man who made it all possible was Ying Ruocheng, actor, director (he played the role of the prison warden in the movie "The Last Emperor"). He is also a scholar and linguist and did the incredible translation of "Salesman." It was so close to the English that I found myself able to stop actors on specific lines in order to change their interpretations.

Mr. Ying played Willy Loman brilliantly, acted as my translator to the actors, and, of course, he also cast the play.

The production has become a staple in the repertoire and has played all over China, and I have been told that it has been a strong influence on the new generation of China's playwrights.

I am putting this down for a reason. Mr. Ying's father was the head of Beijing University and decided to leave China when the revolution exploded, taking the family to Taiwan. Then in his teens, Mr. Ying soon decided to return to the mainland to cast his fate with the new regime, and, despite being exiled to the countryside during the Cultural Revolution, has never ceased being a passionate but sagacious patriot. Not long ago, he was appointed vice minister of culture — a sacrifice for so busy an actor in both films and theater.

With the novelist Wang Meng, who a bit earlier had been made minister of culture, Mr. Ying began the immense work of opening China to world literature and art, to which it had been largely closed off.

As one who had worked in Europe in film, Mr. Ying had a more accurate understanding than most of China's need to create its own modernist styles, while retaining its uniqueness.

There are not many Chinese with his background, his profound knowledge and love for the Chinese cultural past and a sophisticated appreciation of foreign works and trends. The development of a contemporary Chinese culture is hard to imagine without such people, rare as they are.

In the weeks after the violent repression in Tiananmen Square, Chinese officials were required to issue statements in support of the government's action against the students. Wang Meng failed to make such a statement and so did Ying Ruocheng. Both have been relieved of their duties.

On Oct. 1, the Federation of Chinese Students in the United States will conduct a march on the Chinese Embassy in Washington. Ten thousand of the 40,000 Chinese students in America are expected to participate.

These young Chinese, the future of China, are trying to keep alive the spirit that I was privileged to have seen awakening six years ago when the very idea of staging an American play in Beijing was close to incredible, and the hope of China's opening to the creative winds of our century was something new and wonderful.

Without being truly aware of it, and notwithstanding its own terrible social problems, America has become a sort of light-bearer to the Chinese.

This students' demonstration in Washington will be a protest, but it is implicitly a gesture as well of their confidence in America's support of the libertarian spirit that the United States has helped to engender in China and in its stubbornly dedicated younger generation. Surely all Americans — artists, students and teachers especially — will sympathize with them.

The New York Times.

Aoun's Lost Wager Leaves The Christians in a Corner

By Patrick Seale

LONDON — The closing of the U.S. Embassy in Beirut must signal the beginning of the end for General Michel Aoun, the beleaguered boss of the Maronite enclave.

It is now clear that the West is not going to join his crusade against the Syrian presence in Lebanon. His bid to internationalize the Lebanese crisis, the strategy on which he built his "war of liberation," has failed.

The consequences for the Christians are gloomy. Some Maronites dreamed of restoring their supremacy over the whole of Lebanon — a quixotic enterprise for a community numbering less than 25 percent of the population. Others favored breaking with the rest of Lebanon to create a statelet just for Maronites propped up by international guarantees.

General Aoun's lost gamble has struck a blow at both notions, leaving the Maronites little alternative but to accept the political power-sharing within a reunited Lebanon that other communities, most notably the Shiites, are demanding.

The psychological shock to the Maronites of America's unwillingness to back them has been very great — on a scale with their unrealistic hopes. But was not General Aoun's friendlessness predictable from the start?

Lebanon is a life and death issue in Syrian eyes, but it is of only marginal importance to General Aoun's principal backer, Iraq. Syria was therefore certain to go all out to protect its security interests, whereas Iraq might be expected to cut its losses when the going got rough.

The Arab summit meeting at Casablanca in May was a straw in the wind. President Hafez Assad of Syria managed to avoid general Arab censure of his Lebanese policies. And, although the tripartite committee (Morocco, Algeria and Saudi Arabia) created by the meeting rebuked Syria after failing to make any progress on Lebanon, it did not do so forcefully enough to give Mr. Assad cause for worry.

Clearly there is no collective Arab will to insist on a Syrian withdrawal.

Equally clearly, the fiasco of the French naval mission showed that even France, traditional protector of the Maronites, was not ready to confront Syria on their behalf.

With hindsight, it would appear that President François Mitterrand's aims in sending the fleet to the Lebanese coast were, first, to deflect criticism from the right and from the Lebanese lobby in France, and, second, to warn Syria that, in the event of a frontal attack on General Aoun's enclave, France would have to intervene to rescue the 7,000 people of dual French-Lebanese nationality.

By KAL in The Economist (London), C&W Syndicate.

But to General Aoun's chagrin, Mr. Mitterrand made clear that the fleet was not at his disposal. The French investment in the Christian cause was to remain strictly limited.

In many ways, this summer's crisis in Lebanon has been a replay of 1983-84, when Syria and its Lebanese allies defeated President Amin Gemayel's bid to make peace with Israel. But there are major differences.

First, the United States, which sponsored the 1983 deal, had its fingers badly burned, accounting in part for its present skittishness.

Second, Israel has scaled down its Lebanese ambitions. In 1983, Israel, posing as the Christians' champion, tried to expel Syria and bring Lebanon under its wing. In 1989, Israel's interest in Lebanon is limited to its southern "security zone," freedom of the skies, and control of naval approaches.

Israel has little enthusiasm for General Aoun's "war of liberation," in which it sees no benefit for itself.

As an Israeli official commented: "If Aoun wins, Iraq's influence in Lebanon will increase. If he loses, Syria will be stronger than ever. Either way, Israel's interest is not served."

The way to a solution of the Lebanese crisis now lies in General Aoun's withdrawal from the scene, in a renewed commitment to political reform by all the communities, and in the formation of a national government, which would negotiate an Israeli and a Syrian withdrawal. But even without a military presence, some sort of special relationship between Syria and Lebanon would seem inevitable.

The writer is the author of "Assad: The Struggle for the Middle East." He contributed this comment to the International Herald Tribune.

'Beyond Containment': A Price to Pay

By Stephen S. Rosenfeld

WASHINGTON — It is impossible not to be dismayed by the difficulty the U.S. government has in producing very small amounts of new money for national security purposes that reflect the vast changes being registered on the international scene. Most of the money goes to the old places — $300 billion for defense, $14 billion for foreign aid, perhaps $5 billion to $10 billion for intelligence. The new causes — Poland's Solidarity-led government, the assault on cocaine production, the global environment — are fortunate to be funded in the $100 million to $200 million range.

The rigidity and unresponsiveness of the system are striking. For the new causes are not pariahs; they are widely regarded as worthy and urgent. Democrats and liberals cheer on a post-Cold War transition, and while some conservatives drag, President Bush has adopted a slogan of "beyond containment," providing a good rationale for broad Republican support of policy and budgeting departures. Yet things limp along.

It was not ever thus. Not so long ago, President Carter and then President Reagan galvanized the country and Congress into immense spending increases for defense. There was nothing rigid about the system then. It responded instantly to the fear of Soviet power. It is sobering that nothing else so effectively opens the national wallet. For better or worse, people viscerally understand the threat posed by Soviet power.

Of the new causes, you might think that the historic opportunity to sustain a friendly regime in Poland that is not led by Communists would touch the same sources of political conduct that nourish defense spending. It seems, however, that the reduction of a Soviet threat by political means just does not stir the same action-oriented patriotic juices as the confronting of a Soviet threat by military means.

Again, you might think that combating the drug scourge would be a pretty good surrogate for fighting communism. Cocaine is a killer, a poisoner, a tremendous community burden and a destroyer of what is sacred. But the people it hurts the most (or the most conspicuously), those in minority communities, do not have the political resources — the clout, the alliances with others — to come up with big new money.

It is not merely that minorities are minorities. It is that most of what is in the budget is already spoken for by powerful constituencies that have been at it for a long time. In theory Mr. Bush could draw from one of the old accounts — forgo one or two Stealth bombers, for instance, as various impatient people who find Stealth a dubious investment have suggested. But that ignores the fact that defense money (and Social Security money and so on) is politically locked in. It also ignores the fact that if Stealth is a dubious investment, it should not be built at all.

But of course there is a further and sadder explanation of why funds are limited for new-wave enterprises in a post-Cold War era, and it lies not in the tyranny of the budget but simply in the president's arbitrary decision not to seek more revenues to pay for pressing national needs.

It falls to the Europeans to lead the necessarily large and long Western effort to revive Poland, but now that there is actually a non-Communist-led government being formed — a development that could scarcely be imagined at the beginning of the summer — the United States should be considering more ambitious ways to help and especially to fill the food gap. Certainly Americans can put up more than the $10 million — $10 million — that Mr. Bush has shamelessly proposed as a first-year delivery on his Polish aid pledge.

It falls to the Latin countries whence cocaine comes to conduct the total mobilization, as in a war, that is required for them to cut the flow to the United States; cutting use is America's business. But to offer for this purpose aid amounting barely to a few days take by the Colombian traffickers does not even faintly match what solidarity with the besieged Latins compels.

Mr. Bush has enunciated a promising policy line of "beyond containment." It remains to be filled out. In crucial aspects his commitment to his policy seems tentative and weak.

The Washington Post.

Treblinka: Sermons In the Soil

By George F. Will

TREBLINKA, Poland — The earth here is unquiet. Wind and rain, and insects and small burrowing animals stir the sandy soil, bringing to the surface small white and gray substances. They are flecks of compressed ashes, and bits of bones. In a circle 15 feet in diameter, a visitor to this site of a Nazi death camp sees on the ground parts of an adult's finger and a child's rib.

Recently an American delegation was here and at other Holocaust sites to receive artifacts from the Polish government. They will be permanent exhibits at the Holocaust Memorial Museum that will open adjacent to the Mall in Washington in 1992.

One such artifact is freight car 11688. It was, we know, used on the shuttle — trains of 60 such cars, each car carrying 100 Jews — between the Warsaw Ghetto and Treblinka, 60 miles (about 95 kilometers) away.

Some said that literature itself would be the final victim of the "Final Solution," that imagination must flag and words must fail in attempts to encompass it. Not true. There can be sermons in stones, as in the shattered bricks and masonry that are the shards of the Warsaw Ghetto, taken for the museum from just inches below the surface of rebuilt Warsaw.

From Majdanek are coming canisters that contained Zyklon-B gas pellets, blue stains from which are still on the walls of the gas chambers. Also coming are 2,000 of the 820,000 pairs of shoes piled to the rafters of Majdanek barracks. The artifacts will be sifted for suitable displays in a building designed by the firm of I. M. Pei, a design of solemn commemoration but also evoking the industrial nature of the crime.

It has been said that we make our buildings, and then they make us. The museum in Washington will make memories for rising generations, expanding their consciousness of the awful possibilities of human action. It will start from extreme particularity — shoes, bricks, canisters, an event: Hitler's war against the Jews. But it will stir visitors to the most general reflections on the nature of man and the great questions of governance.

The cooperation of Polish authorities with the U.S. Holocaust Memorial Council has been overshadowed by the controversy over the Carmelite convent at Auschwitz. Cardinal Jozef Glemp, who wants to abrogate the agreement by which the convent was to have been removed, is a useful anachronism — a living museum exhibit of lumpen anti-Semitism (Jews are outsiders, they control the mass media, they are responsible for anti-Semitism). Lumpen anti-Semitism made possible the seizure of power by virulent anti-Semites.

Without questioning the good motives of the nuns, who wish to pray for all victims, Jewish leaders rightly see the convent as yet another act having the effect of diminishing the Holocaust, sinking it back into the stream of history by blurring its monstrous clarity. That clarity is a function of the Holocaust's particularity: All the resources of a modern state were turned toward the destruction of one people, the Jews.

Yes, others were killed. But if there had been no Jews in Europe, there would have been no Holocaust. No Hitler. No Treblinka.

At the peak of its frenzy, Treblinka was the worst of the Nazi works. There was not, as there was at Auschwitz, an atom of demonic utilitarianism in the form of slave labor for industry. Here, the slaughter was single-minded.

At Treblinka one sees ... nothing. And everything. Nothing, in that the Germans tried to erase every trace of the camp. All that are here are memorials — rough-hewn stones for each Jewish community annihilated — and ashes and bones. And a silence. A curator says birds do not sing here. I believe him.

But here you also see everything. Treblinka is the starkest testimony to the radical evil that gives the Holocaust its stunning uniqueness, its apartness from all other human experiences. The radicalism was in its furious focus on Jews.

There would have been no Holocaust if there had been an Israel — a haven. Standing in the doorway of a prisoners' barrack at Auschwitz-Birkenau, it is stirring to see far across the camp, through the stubble of brick chimneys that are all that remain from any wooden barracks, the blue and white flag of Israel borne by young Israeli visitors.

Architecture, it is said, is frozen music. The museum will not be a dirge. It will be an anthem to the resilience of a people, and of people.

Washington Post Writers Group.

100, 75 AND 50 YEARS AGO

1889: Edison Visit Ends

PARIS — The French Society of Civil Engineers gave a banquet in honor of Mr. Edison yesterday [Sept. 10] on the Eiffel Tower. M. Goumod was amongst the guests. After the banquet the party ascended the tower, when the celebrated French composer gratified them with some music in M. Eiffel's private apartment. Mr. Edison paid a graceful compliment to Mme. Eiffel and wrote his name amongst the numerous autographs of celebrities already on her fan.

1914: Russian Jews

PETROGRAD — Further details in regard to Russia's announcement that Jews may hereafter become officers in the army and navy are given by the Petrograd correspondent of the "Standard": "The decision to admit Jews to the highest ranks of both services," he says, "is officially stated to be due to the gallantry which Jews serving as common soldiers have displayed in the battles already fought. This will be followed in due course by the removal of civil law restrictions on members of the Hebrew community. The pale will be swept away and Jews will be admitted to full rights of Russian citizenship."

1939: French Foil Attack

PARIS — For the past twenty-four hours the Germans have been vigorously counter-attacking on the western front in an effort to hold up the French advance and win back some of the ground lost on the 200-kilometer frontier between the Rhine and the Moselle. All of these attacks have been beaten back, although in some cases the Germans got so close that the French had to use their bayonets to drive the enemy back. In fact a communiqué declares that the French are still pushing their lines forward, stating that "on the front a series of methodical actions has enabled us to advance between the Saar and Vosges."

A Monthly Report for the International Investor — Herald Tribune — *Monday, September 11, 1989*

PERSONAL INVESTING

FOCUS

Sidestepping Event Risk

FOR bond market followers, the battle for control of UAL Inc. has a certain dreary familiarity. While holders of the common stock have seen their shares rise nearly 150 percent since takeover talk surfaced this summer, bondholders have chalked up an 8-percent decline in the price of their securities.

Followers of the corporate bond markets can cite dozens of similar cases in recent years. As in the UAL case, companies trying to fend off real or anticipated takeover attempts often adopt defenses that threaten to load the balance sheet with debt — bad news for their credit ratings and their bond holders. Over the last year or so, professionals say this new source of uncertainty — labeled "event risk" — has driven investors from the corporate bond market.

Rating Game

Company	S&P Credit Rating	Event Risk Rating
Eaton	A	E-5
SuperValu	A+	E-3
Borden	A+	E-3
Caterpillar	A–	E-3
Grumman	BBB	E-4
Bowater	A	E-3

Source: Standard & Poors

Not surprisingly, corporate issuers of bonds are trying to woo them back with "event risk" clauses. The issuers say these provisions, which offer to compensate bond holders in the event of takeovers, provide protection against the dreaded effects of drastic changes in the company's financial condition. But professional bond market players remain distrustful.

"The provisions are just not tight enough to fully protect the investors," says Christine Thompson, senior bond analyst at Fidelity Investments in Boston.

A new rating service by Standard & Poor's, a leader among bond credit-rating agencies, bolsters that view. The company's ratings of bonds, starting with triple-A for the best credits and descending to B and C ratings for lesser quality issues, have long been followed by investors. But recently, the agency began rating bond issues' susceptibility to "event risk," ranging from a grade of E-1 for strong investor protection to E-5 for no protection.

"We found that in many cases, the mechanism crafted to trigger the event-risk provisions contained enough loopholes to backfire," says Solomon Samson, managing director of corporate finance at Standard & Poor's. Of 40 bond issues studied, Standard & Poor's found only two issues that merited high rankings. A Texaco preferred issue was assigned E-1, and a debt issue by Enron, a gas pipeline company, rated an E-2.

THE vagueness of the protective wording is the problem, says Mr. Samson. Typically, an issuer promises to give bond investors a higher interest rate or the opportunity to redeem the bond at face value in the event of a hostile takeover.

"Hostile takeover is defined as takeover not approved by the board of directors," notes Mr. Samson. "In reality, deals that start out as hostile ultimately end up approved by shareholders, so it's hard to see any case where bond holders would be covered."

The tug-of-war over UAL is a case in point. Faced with acquisition maneuvering from Los Angeles investor Marvin Davis, the management proposed its own buy-out of the company valued at $6.75 billion. It is far from clear whether a leveraged buy-out would trigger event-risk provisions in the company's bonds. Those provisions call for the company to buy back the bonds at their face value plus one percent in the event of a change in control. This question is whether a management buyout would constitute a change in control.

"Bond holders would have demanded stronger

Continued on Page 10

Bank Stocks to Watch

Citicorp: Despite higher exposure to Latin debt than other money center banks, Citicorp earns close to $3 billion before taxes and has plenty of firepower. Analysts say the stock, now at about $32, could reach $47 in 12 to 18 months.

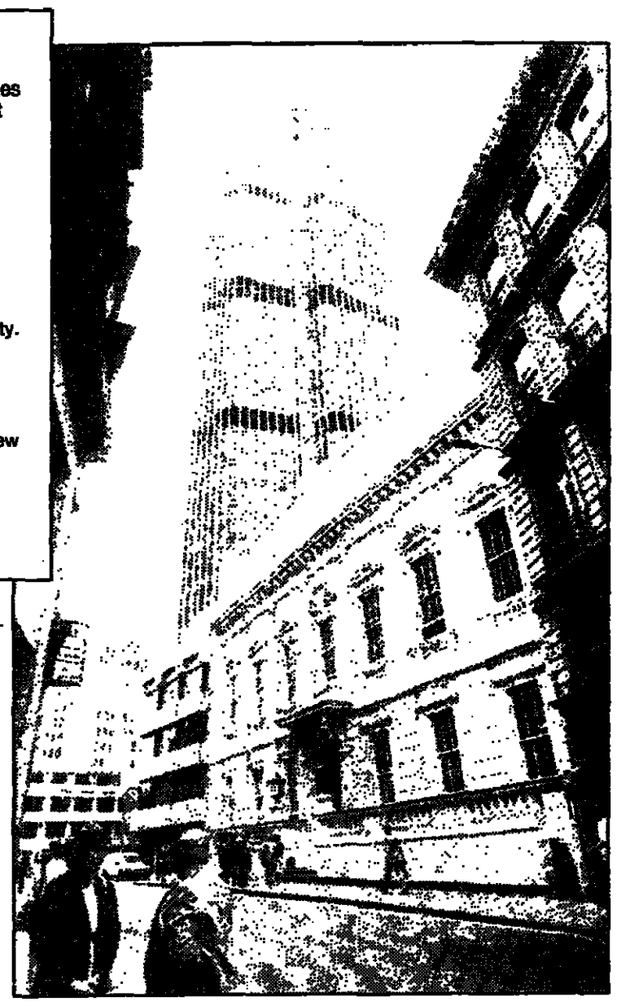
BankAmerica: A turnaround story. The bank's main markets on the West Coast continue to show strength. Now at about $33, the stock could hit $50, say enthusiasts.

Bankers Trust: An investment bank in commercial bank clothing, note the company's supporters. More than half its revenue comes from businesses unrelated to traditional commercial banking. Analysts target a price of $60 a share. It currently trades at about $53.

First Chicago: This bank shows strength in two performance ratios favored by analysts — return on assets and return on equity. It has 50-percent reserves against LDC debt exposure, compared with an average 25-percent for money center banks. Analysts figure the stock could rise to $65 from its current level of about $48.

National Westminster: This U.K. bank's share price was beaten down by the Blue Arrow scandal. Now analysts believe new management to restore the bank's momentum and expect its share price to hit £4. It now trades about 360 pence.

Lloyds: A sluggish U.K. montgage market and high exposure to Third World debut dented the balance sheet at Lloyds. But profitability remains strong. Its shares, now at 410 pence, could rise by 10 percent, says backers.



The National Westminster tower in London.

The Big Returns In Bank Stocks

Analysts see surges in some issues.

By Bruce Hager

New York

ONLY a year ago, big banks seemed unlikely objects of investors' affection. Several banks had yet to face up fully to the problem of shaky Third World loans on their books. Fears of higher interest rates raised prospects of shrinking profits on lending. And the U.S. savings-and-loan crisis kept alive anxiety about the soundness of the banking system.

Yet, investors who bought banking shares in those dark days have reaped big rewards. U.S. money center bank stocks have surged 36 percent this year, outperforming the 21-percent advance in the Standard & Poor's 500 Index. San Francisco-based BankAmerica alone is up about 75 percent. Nor has the rebound been limited to the United States. Holders of Lloyds Bank shares have seen a 40-percent gain this year.

What wrought such a change? As more banks bit the bullet and made provisions for their developing-country loans, investors came to believe that the worst of the damage to balance sheets was past. National Westminister and Barclays in the U.K. put aside reserves to cover 50-percent, sometimes more, of their problem debt, and saw their share prices rise. In the United States, First Chicago and BankAmerica led major U.S. money centers with reserves at 30-percent or more.

Helping confidence was the Brady debt plan, which put the authority of the U.S. government behind a solution to debt problems and led to an agreement between Mexico and its bankers. The case for optimism received a further boost from receding fears of a boost in interest rates.

At their current prices, many bank stocks are clearly not the bargains they were a year ago. Still, followers of the industry say selected issues could continue to surge, producing returns of 25-percent or more over the next year. The key, they say, is picking tightly managed banks well-placed to deal with any economic slackening that may appear in the next year or so.

"The acid test will be over the next 12 to 18 months," says Jim McDermott, director of research at Keefe, Bruyette & Woods, a New York firm that specializes in analyzing banks. "Consistency is the name of the game."

Despite outperforming the market, bank stocks still look reasonably priced on fundamental measures such as price-earnings ratios. While the stocks in the Standard & Poor's 500 index are trading at about 13.8 times their annual earnings, the price/earning ratios of the big U.S. banks stand at about half that level. That is lower than in the 1970s, when bank stock P/Es were at about 60-percent of the market's P/E. The low came in the early 1980s, when bank stocks could be bought at a 35-percent discount to the market.

In the U.K. market, bank shares offer the kind of hefty dividend yields that give investors a feeling of safety. "One can say on that basis that they're not going to deteriorate against the market here," says Bryan Crossley, European banking analyst for Merrill Lynch in London. "The yields are generally over 6-percent in conjunction with the banks' habit of raising the dividends by double digits."

The prospects remain colored by the outlook for talks between banks and developing-country debtors. The Mexican debt agreement reduced some uncertainties by providing a model for other talks. But still tougher negotiations lie ahead with Argentina and Brazil.

The Mexican accord laid down a formula by giving banks a menu of options. One choice is to swap their loans for 30-year bonds that would be worth 65-percent of their loans' value and carry market interest rates. A second would involve swapping the loans for bonds with the full face value but with a sharply reduced interest rate. A third choice is to make new loans equal to 25-percent of existing credits.

Most U.S. banks are expected to take the bonds. But Citicorp, which has put aside reserves to cover about 25-percent of its problem loans, surprised some observers by opting to lend more money to Mexico. At first

Continued on Page 10

Fund Sales: New EC Rules Leave Some Obstacles

By Nigel Adam

London

WHEN Thornton Management launched its £100 million Asian Emerging Markets Investment Trust on the London stock exchange this summer, it marked a minor milestone in the European fund industry.

The closed-end fund, one of the largest ever floated on the London exchange, was among the first fruits of the alliances established between Continental European banks and British fund management firms. West Germany's Dresdner Bank, which bought control of Thornton in July 1988, placed more than 65-percent of the fund with its German clients.

"We hardly scratched the surface of the German market with that fund," says Richard Thornton, chairman of the fund management group. He plans to launch more investment trusts in conjunction with Dresdner and the two are setting up a joint unit trust operation in Luxembourg aimed at the European market.

Investors can expect to hear a lot more talk in the fund industry of pan-European investment products in the months ahead. Oct. 1 is the deadline for European Community nations to pass legislation to bring their laws in line with an EC directive designed to make it easier for fund management firms located in one member country to sell their products in another.

The Brussels directive, which itself took more than a decade to reach the statute books, sets down common rules for the authorization and structure of open-end funds, a category that includes unit trusts and types of funds whose shares can be redeemed at net asset value. West Germany and the Netherlands will probably not meet the deadline, but legislation in those country is expected soon. Manfred Laux, secretary general of the German Mutual Fund Association, expects the German legislation to be in place by January.

But European investors are in no immediate danger of being deluged with the funds of foreign investment managers. Even with the changes, European fund groups face formidable obstacles to setting up business in another EC country. Most of those restrictions can be traced to the late 1960s' collapse of Investors Overseas Services, the fund empire of American promoter Bernie Cornfield. Tens of thousands of mostly middle-class investors in Europe incurred steep losses in the IOS collapse, prompting a wave of restrictive regulations.

"The scars inflicted by IOS are still very visible in Germa-

Continued on Page 11

COLLECTING

A Brisk Market in Antique Securities

History and visual appeal lure collectors.

By Cynthia Catterson

New York

STANDARD Oil of Ohio, the 19th-century corporate colossus that drew the wrath of American trust busters, has long since passed from the stock market tables in newspapers. But some people are still making money on the company's stock.

A fascination with the exploits of founder John D. Rockefeller and the free-wheeling period of American industrial expansion has nurtured a market in old Standard Oil stock certificates. A decade ago, it was possible to acquire for about $200 one of 300 Standard Oil of Ohio stock certificates issued between 1875 and 1883 and signed by Rockefeller and partner, Henry Flagler. These days, the certificates are among the most sought after by collectors and routinely sell for $6,000 and above.

"When I look at an antique stock or bond, I see a lesson in history," says Richard Goede, a collector whose prized items include certificates signed by Mr. Rockefeller and J.P. Morgan.

This passion for collecting old securities — a field called scripopholy — is spreading. By some estimates, the number of collectors has grown from a few hundred in the late 1970s to nearly 20,000 worldwide. Vintage financial certificates have broad appeal as genuine historical documents, limited-edition engraved artwork, and, in some cases, autographs of famous figures in the history of business.

Moreover, antique securities remain among the most reasonably priced of collectibles. The stiff prices on special items like the Standard Oil issue are the exception rather than the rule, dealers note. There is still a huge supply of old certificates that typically trade at very low prices.

John D. Rockefeller's signature adds to value of Standard Oil of Ohio stock certificate.

"Ninety-eight percent of antique securities trade in the $25 to $150 area," says George H. LaBarre, a Hollis, New Hampshire, dealer who puts his inventory at nearly 4 million classic securities. "Millions of people got stuck with stocks when companies went bankrupt in the 1900s through 1930s. The majority of these are only worth about $5."

Because prices are so low when compared with many other types of collectibles, novices can easily overpay and still believe they have a bargain. The market is in its infancy, and authoritative references are few. As with other specialized collectibles, dealers warn that uninformed buyers have fallen victim to price manipulation, clever packaging and inflated expectations for investment return.

Indeed, finding real value requires research and a discerning eye. Among the qualities that determine an antique security's value are rarity, age, graphic quality, condition, and subject matter.

Engraved documents, for example, can be as much as 30 to 40 percent more valuable than lithographs. And a stock or bond stained by ink or coffee or visibly torn could be worth considerably less than one discolored by handling and time. Stocks and bonds from popular eras or industries tend to hold greater appreciation potential than those from obscure textile and manufacturing companies.

In general, old bonds are worth more than stocks. As bonds are larger in size, the quality of engravings tends to be superior to the illustrations on stock certificates. Further, rarity is easier to ascertain with bonds, as the

Continued on Page 10

TRUST THE HALIFAX TO FIX THE INTEREST RATE WHATEVER THE CLIMATE.

The financial climate is often unpredictable. Which is why you should invest wisely and not just settle for any port in a storm.

The new HALIFAX FIXED RATE INTERNATIONAL is a safe haven for investment and a guarantee against unstable interest rates.

It's a Jersey-based sterling deposit account, open solely to those people not ordinarily resident in the UK. The kind of people who want a guaranteed fixed interest rate and who are willing to leave their investment untouched for a period of 12 months.

There is a minimum investment level of £10,000 and the interest rate on your account is fixed on the day that we receive your funds.

But as interest rates can vary from time to time, you can call our Halifax Jersey Helpline now on (01534 59840 for information on today's current fixed rate.

Being Halifax Building Society, you can expect a highly competitive rate. And being offshore, you can expect high interest with no UK income tax deducted.

You can take your interest at the end of the term. Or opt for a monthly income, with which you can pay bills and set up standing orders and direct debits via our variable rate account HALIFAX DEPOSIT INTERNATIONAL.

Alternatively you can have your monthly interest paid directly into your UK or Channel Island bank account.

Send in the coupon now for more detailed information and conditions of issue, and we'll help you weather any storm.

To Halifax Building Society, International Investment Unit, Ingouville House, Ingouville Lane, St Helier, Jersey, Channel Islands.
Please send me further details of HALIFAX FIXED RATE INTERNATIONAL ☐ HALIFAX DEPOSIT INTERNATIONAL ☐
Name _____ Title _____
Address _____
_____ Tel No. _____
Country _____ Date _____
Nationality _____
005/016/12

HALIFAX

THE WORLD'S Nº 1

By opening a deposit account you become a depositor with the Society. Depositors are not members of the Society and only certain members can vote on resolutions. Only members can attend at meetings of the Society. Copies of the most recent audited accounts are available on demand. Halifax Building Society's principal office is in Halifax, UK.

Halifax Building Society, International Investment Unit, Ingouville House, Ingouville Lane, St. Helier, Jersey, Channel Islands. Fax No: (0)534 59280 Telex No: 4192584

Sidestepping the Event Risk

Continued From Page 9

protection if they had known that airlines would be doing these heavy LBOs," explains Ray Neidl, a bond analyst at Dillon Read & Co. "As it reads now, UAL doesn't provide a lot of protection."

The UAL case has broad implications. Some of the protective clause has appeared in more than 50 corporate bond issues over the last two years.

For UAL bond holders, a restructuring along the lines proposed by UAL management could be devastating if the event-risk clause does not apply, say analysts. Depending on the structure of the final deal, the bond rating could decline to a single-D rating from its current triple-B-minus. That may translate into a loss of $80 to $100 on every $1,000 face amount of the bonds, they figure. That is a measure of the vulnerability of many corporate bonds in current conditions. Of the 40 bond issues rated by Standard & Poor's for event risk, half were assigned a grade of E-3, providing only modest protection to holders. Among the E-3 issuers were Caterpillar Inc., Corning Inc. and Reynolds Metals. UAL was ranked even worse, with an E-4 rating.

"In all but one of the 20 companies in this category," says Mr. Samson, "the company could go out and make a large acquisition for defensive purposes, change their financial profile overnight, and, in the process, trash their credit rating, and bondholders would not be covered."

Sidestepping these risks will only get more difficult if takeover activity continues to be brisk. Ironically, the very attributes that make a company a sound credit rating — low levels of debt, broad asset base and strong cash flow — also draw interest from potential acquirers.

"In the past, people bought bonds on fundamentals, but now they no longer feel comfortable doing this because the good financials that make a company attractive to an investor also make them vulnerable to event risk," notes Bill Lipman, president of Franklin Investment Grade Income Fund.

Indeed, some professionals prefer to buy lower-rated bonds of companies that seem unlikely to draw takeover interest. They figure that the higher yields on these issues more than compensate for the higher risk, especially when event risk is taken into account. A single-B bond can yield almost 3 full percentage points over U.S. government bonds. The highest-rated corporate industrial bonds typically offer yields of only 0.3 to 0.5 percentage points over government bonds and often provide little protection from event risk.

Other bond buyers concentrate on investment-quality bonds in sectors where government regulatory control or other considerations make takeovers and corporate restructurings more difficult. These sectors include utilities and banking.

But all strategies have their limitations. "As long as there are incentives for companies to be bought or go private, event risk is going to stay at the forefront," says John Geissinger, senior portfolio manager at the $390 million Putnam Income Fund. "The trick, as an investor, is to make sure you're not the one who gets caught." □

Cynthia Catterson

Solomon Samson

The Big Returns In Bank Stocks

Continued From Page 9

blush, that looks risky. But some analysts believe it makes sense for Citicorp, which has an extensive banking network throughout Latin America. John Reed, Citicorp's chairman, told analysts that the decision reflects the bank's belief that the Mexican economy is on the mend and the bank will profit from its activities.

"Their situation is not entirely unique, but there are aspects that gives Citicorp a somewhat special situation relative to other major U.S. banks," says Judah Kraushaar, banking analyst for Merrill Lynch in New York, who gives the bank his top rating.

Argentina and Brazil, which together owe banks around the world more than $184 billion compared to Mexico's $100 billion, will pose a more severe test. Argentina is already delinquent on its interest payments, and Brazil is threatening to miss its payments due this fall.

"The real question is whether the bad boys, Brazil and Argentina, can be brought into line," says Frank Bove, a banking analyst with Prudential Bache in New York. The negotiations are bound to be difficult, and negative headlines could cause occasional jolts to the prices of bank stocks.

Complicating the picture is the U.S. economic outlook. Further easing of U.S.interest rates generally are a plus for banks by lowering their cost of funds for relending and stimulating the economy. But if the decline results from an economic slowdown, the demand for loans could suffer too.

Economic concerns are one reason analysts have targeted special situations like BankAmerica. Since declining a takeover bid in 1986, the stock has risen from $12 a share to $33, and analysts say a strong balance sheet coupled with increasing market share in California and the West Coast could be a further boost.

"Bank America has the greatest franchise in all of banking, has gone through the greatest turnaround in all of banking, and investors continue to underestimate its potential," says Frank DeSantis, a Paine Webber analyst who thinks the stock could reach $40 a share over the next year.

Special situations are a theme among U.K. banks as well. Lloyds offer the example of a bank that has seen its balance sheet battered by developing countries loans. Real estate lending has also suffered as U.K. interest rates surged.

Despite these problems, skilled management has kept profit margins high. Lloyds enjoyed a 24-percent return on its equity last year, compared with an average of less than 20-percent for the rest of the sector. Sweetening the returns has been annual compound dividend growth of 16-percent over the last five years, notes David Poutney, James Capel's banking analyst. If interest rates fall a bit, he says, Lloyds's shares could hit £5 next year, compared with its current price of just over £4.

For fans of turnaround situations, British analysts offer National Westminister. The bank's share took a bad tumble on the scandal surrounding its corporate finance subsidiary and Blue Arrow, the employment agency. But the bank's balance sheet remains strong, and sentiment is ripe for a reversal as new top management takes over, says Nick Collier, banking analyst at Hoare Govett.

"That's a potential strength because that's largely water under the bridge," says Mr. Collier of the Blue Arrow scandal. "It gives the incoming chairman, Lord Alexander, all power to change things." Other analysts agree, with typical forecasts calling for National Westminster's shares to reach £4 over the next 12 to 18 months. The shares currently trade at about 357 pence. □

August Market Scoreboard

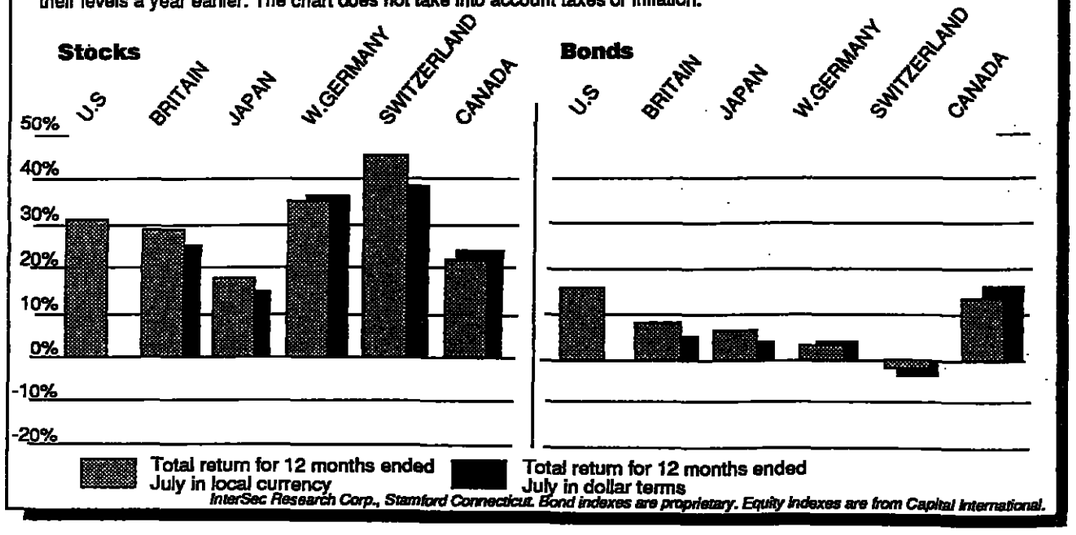
	Percent Change	Price Aug. 31
Best Performers		
New York Stock Exchange:		
Anchor Glass Container	+104	20.13
UAL Corp.	+ 54	279.75
Mylan Labs Inc.	+ 53	14.50
Georgia Gulf Corp.	+ 43	57.63
Kerr Glass Manuf.	+ 40	12.75
First Capital Hldgs.	+ 38	13.63
CUC Int'l Inc.	+ 32	14.50
Claire's Stores Inc.	+ 29	13.25
Green Tree Accep. Inc.	+ 29	13.25
Pansophic Systs. Inc.	+ 29	16.00
American Stock Exchange:		
Graham Corp.	+ 74	40.00
Materials Research	+ 49	13.75
Old Spaghetti Warehouse	+ 35	18.75
Barry (R.G.) Corp.	+ 34	11.38
First Nat'l Corp. (CAL)	+ 31	19.88
Over the Counter:		
De Tomaso Inds.	+ 68	13.00
North-West Telecom.	+ 63	37.50
Colorocs Corp.	+ 60	10.00
Code Alarm Inc.	+ 44	18.38
Medco Research	+ 40	10.50
London Stock Exchange:		
Wellcome	+ 55	708
BTR	+ 18	476
Reuters Holdings	+ 14	973
Greenall Whitley	+ 13	364
Lloyds Bank	+ 13	410
Warburg Group (S.G.)	+ 13	425
Carlton Comm.	+ 13	888
De La Rue	+ 12	373
Morgan Crucible	+ 11	314
ASDA	+ 10	207
Tokyo Stock Exchange:		
Nintendo	+ 52	13,000
CSK	+ 50	8,600
Isetan	+ 45	3,720
Yakult Honsha	+ 36	4,800
Danto	+ 31	3,330
Itec	+ 31	5,490
Mori Seiki	+ 30	4,280
Royal Co.	+ 30	3,450
Shimashu	+ 29	3,940
Canon Sales	+ 29	4,370

	Percent Change	Price Aug. 31
Worst Performers		
New York Stock Exchange:		
Fishbach Corp.	−38	15.50
Prime Computer Inc.	−28	11.63
Storage Tech. Corp.	−18	10.00
Carter Hawley Strs.	−16	12.00
Novo-Nordisk A/S	−15	44.00
Royal Int'l Optic.	−15	12.00
Baily Manufacturing	−15	24.75
Kyocera Corp.	−15	78.00
Campbell Soup Co.	−15	50.00
Kathy Inds.	−14	22.25
American Stock Exchange:		
Bolar Pharm. Inc.	−26	20.63
HAL Inc.	−25	22.38
Howtek Inc.	−22	12.13
Gundle Environ. Sys.	−22	15.88
Banister Contl. Ltd.	−20	10.63
Over the Counter:		
Butler Manuf. Co.	−44	24.00
ASK Computer Systs.	−27	10.38
Jesup Group Inc.	−26	10.50
Clothestime Inc.	−26	10.88
Three Com. Corp.	−24	13.13
London Stock Exchange:		
McCarthy & Stone	−31	121
Eurotunnel (London)	−20	670
Ferranti Int'l Signal	−18	70
Blue Circle Ind.	−14	239
John Laing	−11	288
Taylor Woodrow	−10	279
Beazer	− 9	164
Redland	− 9	542
Steetley	− 9	365
Maxwell Comm.	− 9	188
Tokyo Stock Exchange:		
Sato Kogyo	−20	1,830
Furukawa Electric	−16	1,140
Fujita	−15	1,690
Showa Electric Wire	−15	1,270
Tekken Construction	−14	1,380
Taisei	−14	1,530
Sumitomo Heavy	−13	1,100
Okumura	−13	1,670
Kumagai-Gumi	−12	1,490
Amada	−12	1,880

International Herald Tribune

Total Return for 12 Months

Total return measures both the changes in the prices of securities and the income they provide either in dividends or interest. Gains or losses were measured by comparing market indexes with their levels a year earlier. The chart does not take into account taxes or inflation.



InterSec Research Corp., Stamford Connecticut. Bond indexes are proprietary. Equity indexes are from Capital International.

Protect and build your wealth

7 7/8 %* P.A. Fixed Term One Month | 13 1/8 %* P.A. Sterling Mini £10,000 Fixed Term Three Months | 10 7/8 %* P.A. Canadian Dollar Mini C$20,000 Fixed Term One Month

DEPOSIT RATES

JERSEY

■ No tax deducted
■ Interest paid gross on maturity
■ Wide range of call and deposit accounts.

■ Higher interest rates are negotiable on deposits exceeding £50,000 or $100,000

with Royal Trust

When you bank with Royal Trust you benefit from the security and experience of one of Jersey's largest financial institutions and from the Island's reputation for confidentiality.

Apart from offering a wide range of deposit accounts in most major currencies we also provide.

■ **Savings accounts with chequing facilities.**
■ **Foreign exchange arrangements.**
■ **Loans and guarantees.**
■ **Discretionary trust and company formation services.**

Royal Trust, Jersey is a wholly owned subsidiary of Royal Trust Canada, one of the largest financial institutions in Canada with both a Standard and Poors "AA" and Canadian Bond "AAA" credit rating.

For further information about opening an account or details of our other personal banking services please post the coupon below or call Trevor Wynn or Dianne Gollop on Jersey (0534) 27441.

Copies of the latest audited accounts available on request.

*Rates correct at time of going to press on 4th September 1989 but are reviewed daily

ROYAL TRUST
Royal Trust Bank (Jersey) Limited

Mrs D.K. Gollop, Royal Trust Bank (Jersey) Limited, PO Box 194, Royal Trust House, Colomberie, St Helier, Jersey, Channel Islands.

☐ I am interested in opening an account, please send me details

☐ Please send me details of your other offshore banking services (specify)

Name _____

Address _____

I.H.T. 11.9 89

DIAMONDS

YOUR BEST BUY

Single diamonds at wholesale prices by ordering direct from Antwerp, the world's most important cut-diamond market. Give diamonds to the ones you love, buy for investment, for your enjoyment.

Write airmail for free price list or call us:

Joachim Goldenstein diamantexport BVBA
Established 1928
Pelikaanstraat 62, B-2018 Antwerp, Belgium - Tel.: (32.3) 234.07.51
Telex: 71779 syl b.
Telefax: 32.3/231.38.87
at the Diamond Club Bldg.

Gold Medal
HIGH AWARD BRUSSELS INTERNATIONAL EXHIBITION 1958

Saturdays in the Trib.

Get Friday's Closing Prices.

PICK YOUR OWN LUCKY NUMBERS TO BECOME AN INSTANT MILLIONAIRE IN THE RICHEST, ON-GOING LUMP-SUM, TAX-FREE, CASH PRIZE LOTTERY IN THE WORLD!

The Fabulous Lifestyle of the Rich & Famous Could be Yours Instantly...When You Play Canada's Celebrated, Multi-Million Dollar LOTTO 6/49

Today is Your Lucky Day!

Today—without doubt—is your lucky day!!! YOU ARE IN CONTROL!! YOU pick your own lucky numbers to WIN A MILLION DOLLARS!!... Maybe... Much, MUCH MORE!!!

Play the World's Richest Lottery!

Last year, *LOTTO 6/49*, the Canadian Government's *Official* Lotto Game, paid out a total of $887,142,648!!... over $70 Million in ONE month alone!... the largest jackpot awarded was $14,206,841.60!! ALL LUMP SUM CASH PRIZES!! ALL FREE OF CANADIAN TAXES!! But, to WIN your share of MILLIONS—you must ENTER!! And we make it easy to enter!... easy to WIN!!

Pick Your Own Personal Lucky Numbers to Win!

YOU pick any 6 numbers out of 49—and PLAY UP TO 6 GAMES AT ONCE!! Upon receipt of your entry form, your personal lucky numbers are officially entered into the Canadian Provincial Government's *LOTTO 6/49* master computer system. You'll receive our "Confirmation of Entry" by return mail—confirming your lucky numbers, and the official draw dates in which they are entered.

Government-supervised, tamper-proof drawings are held twice-a-week!! If your 6 lucky numbers match the 6 *LOTTO 6/49* numbers officially drawn—YOU WIN A MINIMUM OF ONE MILLION DOLLARS!!... or CONSIDERABLY MORE!!! If you match 5, 4, or just 3 numbers... you WIN one of THOUSANDS OF HUGE SECONDARY CASH PRIZES!!! It's so easy to WIN BIG MONEY from Canada!

Increase Your Odds of Winning $Millions!

IMPROVE YOUR ODDS of becoming an INSTANT MILLIONAIRE!!... by playing more games!... more often! Simply check one of the boxes below to tell us how many games, and the number of weeks you want to play. We'll take care of the rest... you'll play all your favorite numbers—automatically—twice-a-week, every week, for the number of weeks you choose!

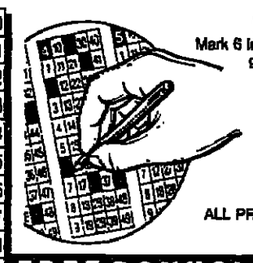
You can see, your chances of WINNING FANTASTIC CASH PRIZES multiply when you play *LOTTO 6/49* more often!!

Cash-In Quickly!

WHEN YOU DO WIN!!... all prizes are PAID IN FULL—INSTANTLY!! NOT installments! There are NO Canadian taxes to pay!! Winning number lists are sent to you every 5 weeks. Our service is 100% GUARANTEED!! Our prices are the lowest possible! They include all postage and handling charges! And when you WIN, we help you to CASH-IN QUICKLY!! So, fill in the entry form below and PLAY TODAY!

Please Airmail Your Completed Entry Form Today — or Phone Canada (604) 683-0227
You Could Become the World's Next Millionaire...Sooner Than You Think!!

LOTTO 6/49 SUBSCRIPTION ENTRY FORM



ORDER TODAY
Mark 6 lucky numbers on each game you want to play.

Pick Your Plan
Check only one box below next to the option of your choice. ALL PRICES IN U.S. FUNDS.

FREE BONUS! Includes 2 draws FREE | Includes 4 draws FREE

EACH BOARD = 1 GAME MARK 6 NUMBERS ON EACH BOARD ABOVE

Please make your Cheque or Bank Draft payable (in U.S. Funds), and Mail to: **CANADIAN OVERSEAS MARKETING, Box 48120, 595 Burrard St., Vancouver, BC, Canada, V7X 1S4**

NAME _____ TELEPHONE AND AREA CODE _____

ADDRESS _____

☐ Cheque ☐ Bank Draft ☐ VISA ☐ ☐ ☐ EXPIRY DATE _____

CREDIT CARD NUMBER _____ SIGNATURE _____

	10 WEEKS (20 Draws)	26 WEEKS (52 Draws)	52 WEEKS (104 Draws)
1 Game.....	☐ $ 45.	☐ $112.	☐ $ 225.
2 Games	☐ $ 90.	☐ $225.	☐ $ 450.
3 Games	☐ $135.	☐ $337.	☐ $ 675.
4 Games	☐ $180.	☐ $450.	☐ $ 900.
5 Games	☐ $225.	☐ $562.	☐ $1125.
6 Games	☐ $270.	☐ $675.	☐ $1350.

Canadian Overseas Marketing is a private company. All prices quoted include handling and mailing charges. All prizes are paid in Canadian Dollars. We will convert winnings to the currency of your choice. Valid only where legal ©1989 C.O.M

TELEPHONE: 604-683-0227 FAX: 604-683-7024 TELEX: 04-507822 ZP-18

Receive 12 weeks of VALUE LINE for $95

This trial subscription is open to you only if no member of your household has subscribed to Value Line in the past two years. We make this special offer because we've found that a high percentage of new subscribers who try Value Line stay with us on a long-term basis. The increased circulation enables us to keep our subscription fees to long-term subscribers lower than would otherwise be possible.

Under the special trial offer you will receive the 2000-page Investors Reference Service at no extra cost. You'll receive all the new full-page reports to be issued in the next 12 weeks on the more than 1700 American and Foreign stocks and 92 industries regularly monitored by **The Value Line Investment Survey.**

In the Selection & Opinion section, which accompanies your weekly reports, you'll also get analyses and forecasts of the national economy and the stock market...guidance on current investment policy explaining Value Line's bullish long-term position on the securities markets...plus Value Line's specific stock selections.

Take advantage of this special introductory offer—and receive as bonuses without extra charge, the 2000-page Investors Reference Service and the "*A Subscribers Guide*" booklet which explains how even inexperienced investors can apply thousands of hours of professional research to their own portfolios by focusing on only two unequivocal ratings, one for Timeliness™ (Performance in the next 12 months), the other for Safety™. Send payment along with name and address together with this ad to 413E11

The Value Line Investment Survey
711 Third Avenue, New York, N.Y. 10017 U.S.A.

Payment in local currencies (British £65, French fr640, Swiss fr165, DM 190) and request for information should be directed to: Value Line, Att: Alexandre de Saint-Phalle, 2 Ave. de Villars, 75007 Paris. (Tel. 45.51.63.59)
Distributed by KLM Royal Dutch Airlines Publication Distribution Service Holland. Allow 4 weeks for delivery.

COLLECTING

Link With the Past

Continued From Page 9

total number of certificates issued is usually printed on the bond's face.

A little common sense can help first-time buyers avoid the more obvious bogus certificates. A quick check of historical references can indicate whether the signer was alive or the company in business at the time the certificate was supposedly issued. Comparing prices at three or four dealers is also helpful, even when the item is moderately priced. After all, $50 is too much if the certificate is only worth $5.

Mail-order purchases can hold special pitfalls. Some dealers may charge more than an antique security's market value to package it with reams of biographical and historical text, some of which may have little relevance to the underlying value of the stock or bond.

For avid collectors, the greatest draws are historical significance and rarity. At a recent auction in Memphis, Tennessee, held by R.M. Smythe & Co. a 1915 Highland Park State Bank stock signed by Henry Ford fetched $10,000, well above the $150 pre-sale estimate. The certificate was not considered to have exceptionally high quality graphics, nor was it in particularly good condition. The price, according to R.M. Smythe president, Diana Herzog, was a reflection of both the auto inventor's place in history and the item's rarity.

The craftmanship and artistic detail of some antique securities greatly enhance their value. Richly engraved shares for Spanish Galleon sailing ships, dating back to 1750, that sold for $900 to $1,100 a few years ago now fetch about $9,000. Demand is also keen for 17th and 18th century financing documents, early mining company and railroad securities, elaborately designed Belgian, French and Italian notes, and Confederate War bonds from the U.S. Civil War.

Rudy Weng, a West German broker, is hoping that many of these factors will come into play later this month at an auction he is promoting. Mr. Weng has put a $25,000 to $50,000 estimate on an East India Company stock certificate that is dated 1657 and is believed to be the oldest known stock in private hands. He has assigned a similar reserve price to a bond dated 1736 that is signed by Emperor Charles VI.

Other modern collectibles include U.S. Steel stock certificates from the 1930s to 1950s, and Ford Motor Co. issues from the 1960s and 1970s showing founder Henry Ford standing next to an automobile. The recently issued colorful stock certificates of Walt Disney Co. may also turn out to be quite valuable, says Mr. LaBarre. □

COINS

A New

T

FUNDS

Thai Funds

For Plays on

Thailand Inv.

Net Asset Value

Bangkok Fund

Siam Fund

Net Asset Value

Thai-Euro Fund

Net Asset Value

A New Market Stirs Debate in the Coin World

Dealers see a boom in graded coins, but others have doubts.

By David C. Lanchner

New York

THE coin market has never held much appeal for sophisticated investors. They worry about the marketability of coins, the lack of standardized trading and the opportunity for fraud.

But some coin dealers say the industry is undergoing a major change that is bound to draw vast numbers of new investors. Their optimism stems from the advent of coin-grading services. The dealers argue that these independent verdicts on investment-coin quality are creating a new market in which coins are bought and sold in reliable, standardized form.

Such bold visions of a new coin market have been greeted with skepticism by many knowledgeable collectors and federal regulators. They say the talk of a new level of reliability and marketability in the rare coin market is misleading. And the coin industry itself has doubters. The American Numismatic Association hosted a debate on the subject at their August convention.

The controversy has not deterred Wall Street from stepping into the fray by offering investment programs in rare coins. Kidder Peabody raised $40 million last April for the American Rare Coin Fund limited partnership and Shearson Lehman Hutton, which began buying and selling coins wholesale in February, may soon offer coins to the public.

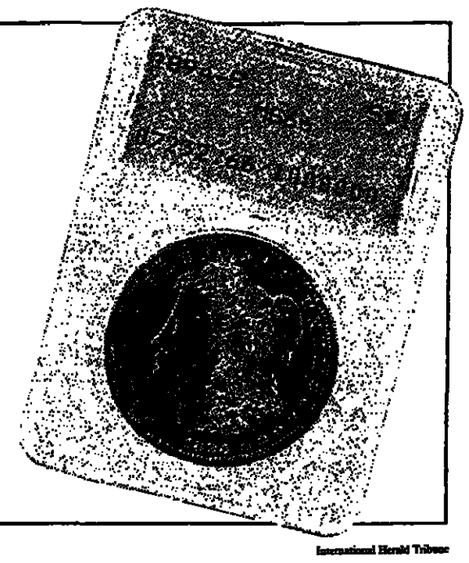
The moves by Wall Street firms has boosters like New York coin dealer Scott Travers predicting boom times in coins. "Wall Street money plus rare coins equals record prices," Mr. Travers predicts in a a pre-recorded sales pitch that potential investors hear when they telephone his company.

While Mr. Travers' sentiments are shared by many industry professionals — some predict daily price quotes in the Wall Street Journal and a futures contract for the St. Gandens silver dollar within just a few years — there is much that is likely to hold back the expected flood of investment.

Knowledgeable collectors who have been the bedrock of the rare coin market in the past, by and large do not participate in market for "third party" graded coins. "For them this market is sterile," says Harvey Stack, a leading New York coin dealer.

Promoting The "Slabs"

A "slabbed" uncirculated 1894 Morgan Silver Dollar valued at $17,000. The coin was evaluated by the Professional Coin Grading Service through a process known as consensus grading. Such evaluations, done by companies that supposedly have no interest in the sale of the coin, have been promoted by dealers as making coin investments less risky. But regulators regard the services as marketing tools for the coin industry.



International Herald Tribune

ONE reason for the numismatists' lack of interest, is that grading standards still vary greatly, despite claims to the contrary. "Certainly, prior to third-party grading, evaluations were even more subjective, but differences still exist between the various services," notes James Lamb, head of the rare coin department at Christies auction house in New York.

Grading firms came into their own three years ago when the largest company, Professional Coin Grading Service, was established. Decrying "viciously overpriced" coins whose quality was determined by the same people selling them, founder David Hall began the practice of consensus evaluation.

In this procedure, several coin experts not involved in a coin's sale assign it a numerical grade and then seal it in a tamper-resistant container called a "slab." Other firms, who use the same numerical scale but who may have had either looser or tighter grading standards, also began "slabbing" coins for dealers.

Coins that are slabbed tend to be uncirculated — or mint state — U.S. coins issued within the past 200 years. Because these coins remain common, fine distinctions are necessary to distinguish the rare items from the not so rare ones, say coin experts. There are 11 quality levels ranging from "Mint State 60," to "Mint State 70."

"One firm's *MS 64 might* be another company's MS 65," observes Barry Stupler, a dealer in Encino, California. That can have costly implications because an MS 65 coin sells for thousands of dollars more than an MS 64 coin. And within the same firm a coin can receive different grades if it is submitted more than once.

Indeed, many dealers say they do not pay much heed to gradings by the services. Mr. Stack, who sells certified coins, says he never buys the coins on the basis of their assigned grade.

"Everything I buy, I see and judge myself unless it comes from a dealer whose eye for quality I'm thoroughly familiar with," he says. And dealers who do buy on the sight unseen market like Mr. Stuppler say they pay less for a coin that they can't examine.

"Because of all the publicity, investors think they are safe when they buy a slabbed coin, but it could be overgraded," says Phoebe Morse, regional director of the Federal Trade Commission's Boston office.

Ms. Morse recently helped draft an FTC complaint against the third largest grading service, Numismatic Certification Institute in Dallas. The complaint charged that investors were taken advantage of because grading standards used by Numismatic Certification Institute were looser than those commonly accepted by the market. The institute settled the charges without admitting guilt. As part of the settlement, the institute agreed to set up a $1.2 million fund to reimburse investors.

Government regulators who have looked into the coin business are skeptical of claims that third-party grading is a significant improvement over past practices. They liken many of the services and the network of dealers who actively promote them to a closed cartel that has successfully pushed up the price of coins.

One government official, who asked not to be identified, notes that although the grading services do not sell coins themselves, they are almost all owned by active coin dealers. Out of the top three firms, which have graded over 50 percent of all slabbed coins, only one, Numismatic Guaranty Corp., is not owned by dealers.

THERE are also strong ties between the American Numismatic Exchange, the only computerized network for the buying and selling of sight unseen coins, and Professional Coin Grading Service, Mr. Hall's firm. He and three partners helped found and still have ownership stakes in both organizations. The only coins traded on American Numismatic Exchange are Professional Coin Grading Service graded, and the people who may trade directly on the network are nearly all dealers authorized by the service.

While the network is meant to give the impression of a truly liquid market in coins, the government official likens it to an orchestrated "marketing effort that benefits the dealers and no one else." The regulator explains that "dealers will buy coins that they know are overvalued." The hype surrounding the reliability of slabbed, sight unseen coins is so intense, that it is possible to resell them to an uninformed public at a profitable mark-up, the official says.

But officials at American Numismatic Exchange say that dealers act independently, likening the trading to a stock exchange where supply and demand drive prices. "Now when you participate you get a straight count," says Mr. Hall. "Prices go up and down, and people understand that is part of a free market."

A crash in early June in the slabbed-coin market operated by American Numismatic Network suggests its vulnerability to speculation. After a run-up of about 40 percent in slabbed-coin prices, the market fell 30-percent within a week, according to John Schneider, president of the computerized exchange.

The rise in slabbed-coin prices had far outstripped price advances in other sectors of the the coin market. These areas, anchored by collector interest, generally held firm or experienced smaller declines. □

Have all the advantages of a bank account in LUXEMBOURG, without actually being there.

Luxembourg is a stable, prosperous financial centre in the heart of the European Economic Community

To discover the advantages of banking in Luxembourg with BCC, all you have to do is to simply mail the attached coupon. We will promptly despatch to you our folder containing detailed information about banking in Luxembourg.

The BCC Group has offices in 73 countries, its Capital Fund exceed US$1,500 million and total assets US$20,500 million. Both the Head Office & the Branch of Bank of Credit & Commerce International SA are in Luxembourg. It all the more enables us to fully extend the unique advantages available there. The emphasis is on service. better service in Luxembourg, in Europe, around the world.

Mail this coupon for your FREE copy of "International and Personal Banking in Luxembourg" to

BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A. 25 BOULEVARD ROYAL, PO BOX 46 LUXEMBOURG TELEX 2307 BCCI LU

Name_____
Address_____
Phone_____
IHT 11/9

Herald International Tribune

Reaching More Than a Third of a Million Readers in 164 Countries Around the World.

FUNDS

Thai Funds Prosper as the Economy Booms

A market drop will be modest, say analysts.

By Mark Roberti

Hong Kong

THAILAND has proved one of the more enduring fashions among Asian fund managers. In the last 18 months, international fund management groups have launched eight portfolios targeting the small Bangkok exchange, bringing the total to 10.

The Thai funds languished through the last months of 1988. But by the first months of 1989, the influx of foreign money, Thailand's surging economy and a slight easing of interest rates had kicked off an impressive rally.

So far this year, market indexes are up 70 percent and several of the funds have shown increases of 50 to 60 percent in their net assets. Helped along by a wave of new issues, the Thai market's total value has grown to $15 billion from $9 billion at the start of 1989. And foreigners' appetite for Thai stocks seems undiminished.

"There is a lot of money chasing only a few stocks," notes an investment manager. It is this rush of foreign money that makes market players confident that a downturn widely expected in the second half of the year will not last long.

Thailand's Mutual Fund Co., which has a monopoly on domestic fund management and oversees several of the funds set up by foreign investment firms, has some $200 million waiting to be invested. In recent weeks, British officials gave U.K.-authorized funds clearance to invest as much as 10 percent of their assets in the Thai market. Boosters of the Thai market believe the amount of cash available to buy shares will put a floor under any fall in the market.

"We may see a consolidation, rather than any sharp weakness," agrees Ferris Bye, executive director of Crosby Securities Ltd., which established a representative office in Bangkok in 1987. "The market is overbought, but if one looks out to next year's earnings growth, the rates are justified."

It would be difficult for Thailand's economic prospects to appear any rosier. After last year's 11-percent surge in the economy, skeptics warned that Thailand could not sustain such torrid growth. But forecasters now expect economic growth to reach double figures again this year.

Thailand shows "greater economic dynamism than the other first and second-generation Asia dragons," observes Miron Mushkat, director and chief regional economist at Baring Securities (Hong Kong) Ltd. He expects the economy to expand 7 to 8 percent next year. Exports, which are forecast to grow 30 percent this year, will increase about 23 percent in 1990, he estimates.

Bulging corporate bottom lines attest to the boom. Mr. Bye expects corporate profits to advance 34 percent this year and 23 percent in 1990. In late August, the shares of companies in the Stock Exchange of Thailand Index were trading at about 14.5 times their forecast 1989 earnings and 11.75 times 1990 earnings. That still makes Thai stocks seem reasonably priced when compared with price-earnings ratios of more than 20 in Singapore and Malaysia.

But economic booms have a way of breeding inflation. Currently, prices are rising at about a 5-percent annual clip, and investors are keeping a sharp eye out for any sudden surge. Compounding the anxiety has been a local credit crunch that is forcing many Thai companies to borrow abroad. Another worry is the strain that boom times have put on the country's housing, and transportation and communication systems.

But fund managers see a long-term theme in the need for new buildings, roads and bridges. The feverish pace of building guarantees a prominent place in fund portfolios for cement, ceramic-products, and building-materials companies.

"This sector has a lot of appeal because it is relatively large and liquid," says Mr. Bye. "The infrastructural developments are going to continue for some time, so the demand for those products will be sustained for years."

A large agribusiness industry is another appeal of the Thai market, although the sector has underperformed this year largely because of a poor pineapple harvest.

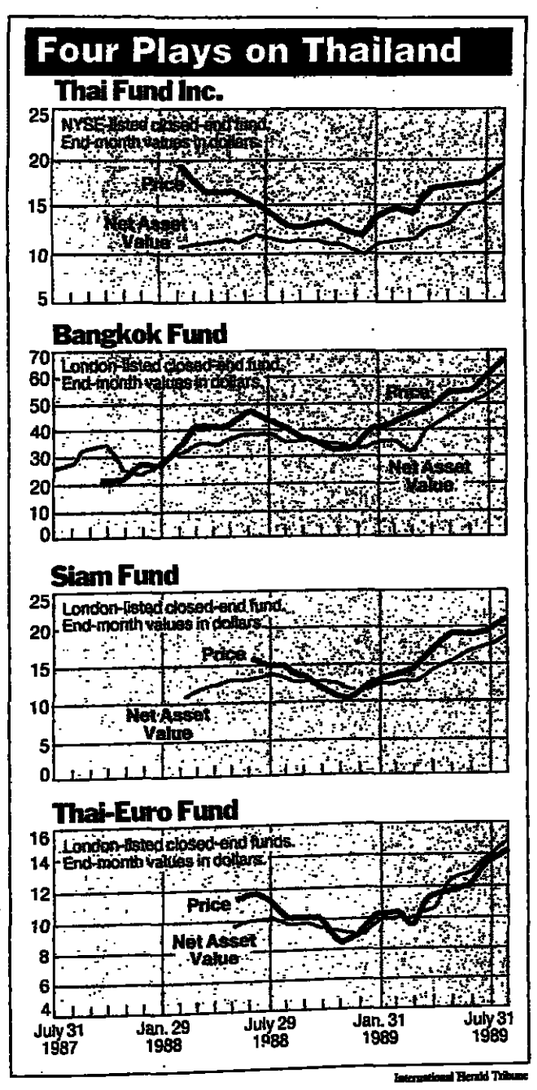
BUT LISA Stewart, an investment manager at Indosuez Asia Investment Services Ltd., which guides the London-listed Siam Fund, believes that agribusiness has the best long-term potential.

"The Thais are keen to modernize their agro-industries so that they can export processed food," she says. "These offer much higher margins."

Ms. Stewart also likes Thai insurance groups. "Only about one in 25 people in Thailand has a life insurance policy, compared with one in 10 in Malaysia," she says. "It is going to be a very interesting sector in the coming year."

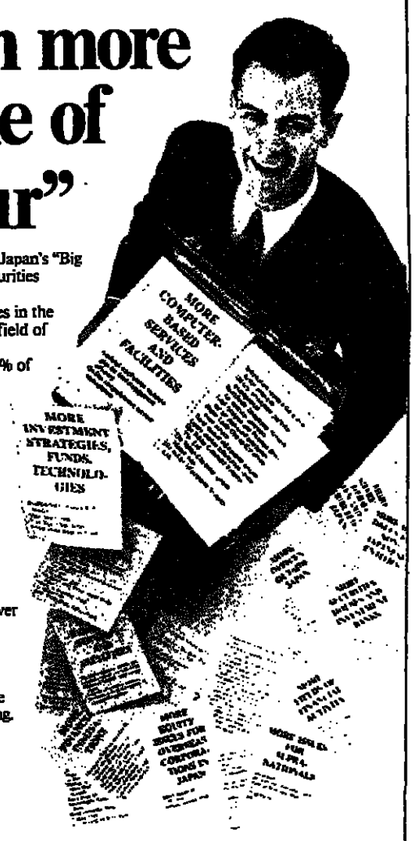
One reason for the big runup in Thai market has been the dearth of available shares. Thai companies are still allowed to put limits on their foreign ownership by creating a seperate class of shares. □

Four Plays on Thailand



International Herald Tribune

Much, much more than just one of the "Big Four"



You probably think of Nikko Securities as one of Japan's "Big Four" securities houses. But if you think Nikko Securities is big only in Japan, we've got news for you.

Today, Nikko is one of the largest securities houses in the *world*. Our 18-country network covers almost every field of financial activity. At the end of 1988, we had over US$260 billion in client assets in custody, equal to 7% of the market value of all stocks listed on the Tokyo Stock Exchange – and more than the total value of the Paris Bourse or Frankfurt Stock Exchange!

We also have some of the world's most advanced Investment Technology (IT). Our Japan Index Strategy, the first to apply a quantitative approach to the Japanese equities market, is one of just a few methods available that can closely track the performance of the Tokyo Stock Price Index, which grew at a remarkable rate of 36.6% during 1988. Nikko Securities' IT-based products meanwhile took first, second, fourth, *and* fifth places for performance among all investment trusts in Japan that year,* helping to swell our IT-related assets to over US $28 billion in just three years.

In other areas, Nikko and its subsidiaries lead-managed 61 debt issues for corporations, supra-nationals, and governments in capital markets outside Japan in 1988 alone, and have ranked well in the top ten in the Eurobond League for three years running.

Certainly, we have what it takes to meet all *your* financing and investment needs. Whatever they are. Wherever you are.

Nikko Securities.

Isn't it time you took a closer look at us?

Source: Nikkei Money

NIKKO

Nikko France S.A.
10, rue de la Paix, 75002 Paris, France
Tel: 1-42615744 Telex: 680832

The Nikko Securities Co., Ltd.
3-1, Marunouchi 3-chome,
Chiyoda-ku, Tokyo 100, Japan
Tel: (03)-283-2211 Telex: J22410

The Nikko Securities Co., (Europe) Ltd.
55 Victoria Street,
London SW1H 0EU, United Kingdom
Tel: 01-799-2222 Telex: 884717

The Nikko International Network: ZURICH GENEVA LUGANO FRANKFURT LUXEMBOURG COPENHAGEN MILAN MADRID AMSTERDAM BAHRAIN NEW YORK SAN FRANCISCO LOS ANGELES CHICAGO TORONTO HONG KONG SINGAPORE SEOUL BEIJING QINGDAO SHANGHAI SYDNEY MELBOURNE

The advertisement has been issued by The Nikko Securities Co., Ltd. and has been approved for the purpose of section 57 of the Financial Services Act 1986 by The Nikko Securities Co., (Europe) Ltd., being an authorised person under the Act.

Funds Grope for a European Strategy

Continued From Page 9

ny," says William Engelbergs, a managing director at Robeco, the giant Dutch fund management group.

Even after Germany passes legislation to conform with the EC directive, basic German law governing fund management businesses will continue to apply.

These laws go into some detail about the type of investments that may be in portfolios and a fund's administrative arrangements, such as its custodian bank, which actually keeps the fund's holdings, and its paying agent, which disburses dividends and pays off investors who cash in their fund shares. The law also requires funds to have German representative office.

The advertising and promotion of funds will continue to be tightly controlled in many countries. While European British unit trusts are accustomed to advertising in newspapers and magazine, this practice is banned in most of Europe.

Big continental banks, which dominate the market for private-investor services, have never been keen to see independent fund management groups promoting their wares directly to retail clients.

Local investor preferences will be a hindrance, too. German funds are oriented heavily toward bonds while British unit trusts invest chiefly in stocks. Another limiting factor is the narrowness of the EC directive. It does not include other important investment vehicles such as property trusts or money market funds.

Given the obstacles, fund industry officials' cross-border efforts will proceed slowly. "I don't foresee any dramatic changes to the European landscape of the industry next month or even in January," says John Fairbairn, head of the Unit Trust Association in London.

As with many aspects of the EC's move toward a single market, the firms determined to have a presence throughout Europe have made their strategic moves well ahead of legislation from Brussels. Some, like Robeco, have been operating on a pan-European basis for many years. Its trusts are quoted on Europe's major exchanges and the group has offices in several cities.

In the wake of the global stock market crash two years ago, several European banks made forays into the British fund management industry.

In addition to the Dresdner link with Thornton, the Bank in Liechtenstein acquired GT Management and Touche Remnant fell to France's Société Générale.

Other British firms are venturing independently into Europe, well aware that a carefully thought *out strategy is needed to overcome* the many hurdles.

The key remains finding ways to reach the retail investor. "No matter how good the product, you are helpless without effective distribution," says Robeco's Mr. Engelbergs.

One way to get around the problem is for a fund group to provide management services for *investment products that are in* turn distributed by local banks.

Wardley, the investment banking arm of the Hong Kong and Shanghai Banking Corp., is an example of a U.K.-based operation that has moved to establish outlets for its fund management expertise through strategic links with European banks. It has made agreements with banks in Italy and France to manage funds sold by them.

Other U.K. fund managers prefer to concentrate on their home market, where rising costs and generally stagnant unit trust sales have squeezed profit margins. Management time, they argue, can be better spent on the domestic front rather than on potentially *expensive forays into Europe.*

As for the individual investor, performance and cost, remain, as ever, the most significant factors. Changes in management control will probably go unnoticed.

Says Mr. Fairbairn of the Unit Trust Association: "I don't believe that the British unit trust investor is particularly concerned whether his fund is independent or foreign-owned. □

Increase your yield through Private Banking

Invest-Loan — Fixed-Term Accounts

With Jyske Bank's Invest-Loan you can invest up to four times your own capital and increase your return. You borrow in a low-interest currency and invest in high-interest currencies. In 1988 most of our Invest-Loan customers had a 30 – 40% return on their own capital. You cannot expect that return every year. Depending on market conditions, your final yield will increase or decrease so you must not be financially dependent on it. The Invest-Loan is to be regarded as a long-term investment.

You can choose between 14 different types of fixed-term accounts in various currencies.

You will enjoy the following:
- no tax liability in Denmark
- low charges
- favourable exchange rates
- professional service

Jyske Bank is one of Denmark's largest banks with customers all over the world.

Please send this coupon to P.O.Box 298, DS-1501, Copenhagen V.
I want information from
☐ Private Banking (International), Copenhagen ☐ Jyske Bank (Schweiz), Zürich

Name
Street
Postal code City
Country
Telephone

JYSKE BANK Bank of Jutland Horsburg London Fuengirola (Malaga) Gibraltar

Jyske Bank, Private Banking (International) Vesterbrogade 9, DK-1501 Copenhagen V., Denmark. Tel.: +45 31 21 22 22

Jyske Bank (Schweiz) Wasserwerkstrasse 12 Postfach 296 CH-8035 Zürich Schweiz Tel.: +41 1362 7373

206 404

Member of TSA

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London. Tel.: 01 323 11 30
Prices may vary according to market conditions and other factors.

Sept. 7

Dollar Straights

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
United States					
Aetna Life	9½	95	103	8.80	+48
Aetna Life	7¾	96	96½	8.87	+46
Amer Genl	8¾	91	99¾	9.08	+61
Amer Genl	9	94	99⅞	9.02	+69
Amer Genl	9¾	95	102⅝	9.13	+79
Amer Genl	8½	98	95¾	9.23	+90
Anhsr-Busch	9⅛	92	100⅜	9.08	+58
Bell South Cap	9¼	93	101¼	8.88	+49
Belcwest	10¼	92	102⅝	9.25	+83
Belcwest	7⅞	93	95⅞	9.25	+84
Campbell Soup	8¼	91	98⅛	9.27	+90
Campbell Soup	9¼	93	100⅝	8.90	+51
Campbell Soup	10½	95	105⅝	9.22	+90
Campbell Soup	7½	98	89⅛	9.37	+102
Chevron	10¼	91	101⅞	9.20	+73
Chevron Corp	8¼	96	96	9.06	+70
Coca Cola	8½	91	98⅞	9.31	+84
Coca Cola	8¾	92	100	8.75	+33
Dupont	10⅝	92	102⅝	9.04	+68
Dupont	9	94	100	8.99	+64
Eli Lilly	10¼	92	103¼	8.98	+57
Euro Crd Crd	9¼	94	100⅝	9.05	+70
Exxon	10	91	101½	8.91	+44
Ford Motor Cr	7⅝	91	96¾	9.30	+84
Ford Motor Cr	8	91	98¼	9.26	+79
Ford Motor Cr	8⅝	91	98⅞	9.27	+80
Ford Motor Cr	10½	91	102¼	9.27	+80
Ford Motor Cr	9¼	92	100⅝	9.06	+64
Ford Motor Cr	10	92	101⅞	9.07	+63
Ford Motor Co	11¾	92	105¾	9.21	+77
Ford Motor Cr	9½	93	101⅛	9.15	+76
Ford Motor Cr	10	94	103¼	9.09	+74
Ford Motor Cr	12	95	105½	9.48	+103
Ford Motor Cr	9⅝	96	102⅛	9.15	+79
Ford Motor Cr	11	96	108⅝	9.12	+77
G E C	10½	91	101⅞	9.08	+53
G E C	9⅝	96	101⅝	8.97	+62
Gen Ele Cap	7¾	91	97	9.74	+127
Gen Ele Cap	8¼	91	98	9.54	+107
Gen Ele Co	8	93	97	8.99	+58
Gen Ele Cr Cor	8¾	93	98⅝	9.11	+70
Gen Ele Cap	9	93	100¼	8.91	+52
Gen Ele Co	9⅛	92	101½	8.68	+39
Gen Ele Cap	9½	95	102¼	8.87	+54
Gen Re Corp	9¼	92	101½	9.09	+66
General Motors	9⅛	92	100⅜	8.95	+52
GMAC	7⅝	91	97⅛	9.27	+80
GMAC	8¼	91	99¼	9.04	+57
GMAC	8⅝	91	99⅝	9.08	+61
GMAC	10	91	101⅝	9.72	+66
GMAC	7⅝	92	96	9.38	+74
GMAC	9⅝	92	101⅛	9.06	+61
GMAC	10	92	100⅝	9.47	+100
GMAC	10¼	92	101.050	9.42	+95
GMAC	8½	93	98¼	9.05	+64
GMAC	9¼	93	102	8.99	+58
GMAC	8	94	96⅝	8.88	+53
GMAC	10	94	100.050	9.14	+79
GMAC	9	96	99⅝	9.05	+68
GMAC	9⅛	96	100½	9.02	+66
GMAC Canada	9¾	93	100¼	9.16	+77
I B M	8⅝	91	99⅝	8.98	+51
I B M	8⅞	91	99⅝	9.04	+58
I B M	9	92	100⅝	8.76	+34
I B M	9	92	100⅝	8.69	+27
I B M	9½	92	101⅝	8.84	+39
I B M	10	92	102⅝	8.79	+36
I B M	10¼	95	103½	9.21	+79
I B M Cred	7¾	91	98.050	9.10	+63
I B M Intl Fin	8⅝	92	99⅝	8.74	+31
Kellogg	9⅛	91	100⅝	9.06	+60
Kellogg	9½	92	101⅛	8.94	+49
Liberty Mut	9⅛	93	100⅝	9.02	+63
Liberty Mut	8½	96	97½	9.00	+63
Lincoln Nat	9¾	95	102	9.30	+94
Metlife	7¾	96	93¼	9.09	+72
Mony Fund	8¼	96	95¼	9.19	+83
Morgan Gty	7¼	91	96¼	9.17	+71
Morgan J P	10⅝	92	103½	9.04	+62
New England	11¾	95	107½	9.52	+116
Pepsico	7⅝	93	94⅝	9.24	+63
Pepsico	8	93	96⅝	9.25	+84
Prudential	7⅝	91	97⅝	9.84	+57
Prudential	8	93	97¼	8.88	+29
Prudential	12⅝	95	108½	9.54	+113
Utd Tech Corp	11¼	92	103⅞	9.24	+79
Utd Tech Corp	7¾	93	94⅝	9.14	+73
Utd Tech Fin	10⅝	95	103⅝	9.47	+105
Warner Lamb	8⅝	96	95⅝	9.81	+65
Xerox	10	93	101⅜	9.35	+94
Far East					
Toyota Motor	8	91	98⅝	9.03	+56
Toyota Motor	8	91	98¼	9.21	+74
Dai-Ichi Fin	8⅛	91	98⅝	9.25	+78
Toyota Motor	8¼	91	98⅞	8.97	+50
Toyota Motor	10¼	91	101⅝	9.26	+79
Toyota Motor	8⅝	91	98⅞	9.42	+95
Dkb Asia	8⅛	91	98⅛	9.25	+78
L T C B	8	91	97⅝	9.23	+76
Sumit Trust 2	7¾	91	97⅛	9.24	+78
Toyota Motor	9½	91	101⅛	8.90	+45
Ind Bk Jap	7⅝	92	96⅝	9.18	+73
Mitsub Cor	7¼	92	95⅞	9.29	+84
Toyota Motor	7⅛	92	95¾	9.17	+72
Sumit Bank	7⅛	92	96⅛	9.25	+81
Panasonic	9	92	100¼	8.92	+50
Dai-Ichi Kb	9⅝	92	101½	9.03	+61
Ibj Finance	9⅝	92	101⅛	9.03	+61
Sumit Bank	9⅝	92	101½	9.03	+61
L T C B	9¼	92	100⅝	9.02	+61
Metro Tokyo	9½	93	101¾	8.95	+44
I B J Fin	[illegible]	93	[illegible]	9.00	+58

Combined US$ Euros pre 1994

Combined Euros post 1992

CCCE

DM Straights

Europeans

Dollar Zero Coupons

Chemical Bank

Non-Europeans

Supranational

DM Zero Coupons

ECU Straights

Yen Straights

Listing above does not include floating rate notes or convertibles.

SHERIDAN MORLEY
IN THE IHT EVERY WEDNESDAY
WITH PERCEPTIVE CRITICISM
OF THE LONDON THEATER

Mutual Funds

Figures as of close of trading Friday Sept. 8

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers Inc. are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

NL — No initial sales charge. p — previous day's quote. r — Redemption charge may apply. x — Ex dividend.

Dollar Excite... To Stir Patie...

PARIS — Concerted ... halting the dollar's ... little to dampen ... headed still higher ...

See EURO...

Curren...

Cross Rates

Other Dollar Values

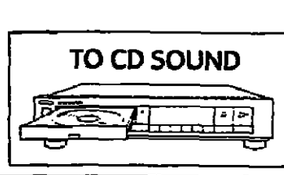
Forward Rates

Last Week...

Herald Tribune INTERNATIONAL

BUSINESS/FINANCE

MONDAY, SEPTEMBER 11, 1989 **



EUROBONDS

Dollar Excitement Fails To Stir Patient Borrowers

By CARL GEWIRTZ
International Herald Tribune

PARIS — Concerted official intervention succeeded in halting the dollar's strong advance last week, but it did little to dampen dealers' convictions that the currency is headed still higher. Despite the euphoria about the currency, there was little direct impact on the Eurobond market.

The few straight dollar issues launched — $350 million for Kansai Electric Power Co., $50 million for Mitsui & Co. and $150 million for J. Sainsbury Ltd. — were well received, but the modest volume of new issues hardly matched the bullish talk in the market or the currency's performance on the foreign-exchange market.

Analysts attributed the lackluster issue volume to the relatively unattractive costs for swapping fixed dollars into floating-rate liabilities and borrowers' expectations of achieving lower rates by waiting some weeks.

The cost of fixed dollars is relatively unattractive.

Belgium, for example, is reported to be waiting to float $150 million until it can swap the proceeds into floating-rate Deutsche marks at 40 basis points below the interbank rate, compared to the 30 or so currently available.

Italy wants to raise $1 billion, but postponed the launch until next month until the scandal at state-owned Banca Nazionale del Lavoro has blown over.

Not to be overlooked in the dearth of issuing volume is the relatively modest level of investor demand for new paper. Despite the froth in the exchange market, there is not much evidence to suggest that international investors are rushing to step up their purchases of dollar securities.

"Unlike the experience of last June, I don't see this current move in the dollar associated with a portfolio shift in favor of dollar instruments," said John Lipsky, Salomon Brothers' international analyst based in London.

He sees as confirmation of this view last week's repeated rounds of central-bank intervention to halt the dollar's rise. In June, the central banks were conspicuous by their absence from the market — a decision Mr. Lipsky says was dictated by the belief that they could not thwart the desire of investors to increase the portion of investments denominated in dollars.

A large part of the current source of the dollar's strength, said Arnold Simkin of London-based StratEcon, is the demand for credit in the United States. He notes that credit demand typically rises as economic growth slows because corporations get squeezed for cash as sales slow and inventories rise.

THIS INCREASED demand for credit is not being accommodated by the Federal Reserve Board, which is keeping a tight lid on the growth in bank reserves and the overall money supply as part of its policy to restrain inflation. Thus, to avoid driving domestic interest rates up, Mr. Simkin says the demand for low-cost credit is being met by borrowing in yen and Deutsche marks and converting that cash for dollars.

But Steven Blitz, a portfolio manager at Offit Associates in New York, said that "the issue is not why the dollar has rallied, but why did it drop during the summer?" It fell, he adds, because market operators were convinced the United States was headed for a recession and sharply lower interest rates — a scenario that looks a lot less certain today, which is why the dollar is back near its spring highs.

Mr. Blitz sees "lots of technical power" that could drive the dollar back to 2.05 DM, but he also cautions that "it's not certain. We're near the top of its trading range," which he puts at 1.85 to 2.05 DM, "and it's dangerous to assume it will blow through it."

Without predicting whether the dollar will or will not climb that high, he says with confidence that "if it manages to rally beyond 2.05 DM, a purely technical perspective suggests the next objective will be 2.20 DM."

The certain remedy to halt the dollar's advance is either a decline in U.S. interest rates or a rise in mark and yen rates. But there is considerable doubt whether any such moves are in the immediate offing, which is why most analysts project continued dollar buoyancy.

With the confusion of signals coming from the United States — analysts are divided on whether the economy is headed for a soft landing or a soft takeoff — there is little likelihood that the Fed will alter its current policy setting until the outlook becomes clearer.

Analysts will have a batch of U.S. economic statistics to analyze later this week. Washington will report August retail sales on Thursday. On Friday, there will be the trade deficit as well as manufacturing sales and inventories for July along with August

See EURO, Page 15

Progress Reported On Debt

But Growth Slows In Latin America

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — Despite a sharp contraction in economic growth last year, Latin American countries increased both exports and imports and managed for the first time since 1982 to cut the total amount of their foreign debt outstanding, the Inter-American Development Bank said Sunday.

In an annual report, "Economic and Social Progress in Latin America," the bank found "reasons for hope as well as disillusionment."

Although overall growth of the international economy was nearly 4 percent last year, mainly reflecting strength in the industrialized economies, Latin America's growth was barely positive at six-tenths of 1 percent, markedly below the 3.0 percent of 1987.

The economies of Latin America, the report said, were clobbered by a 3 percentage-point surge in international interest rates between the first quarter of 1988 and the first quarter of 1989, which in addition to hitting growth added $10 billion to the debt service burden.

Since debt is about four times the size of exports, every one percentage point increase in rates means an increase of 4 percent in export earnings just to keep things even.

Yet in spite of the higher interest payments, total Latin American debt actually fell from $441 billion at the end of 1987 to $426 billion at the end of 1988, basically the result of large declines for Brazil, Mexico, Chile and Venezuela, reflecting conversions of debt into equity.

Bank economists project further declines this year as a result of a plan by the U.S. treasury secretary, Nicholas F. Brady, announced in March, to slash debt through the offer of incentives to banks to forgive a portion of their loans. An agreement reached between Mexico and its foreign creditors in July, for example, is expected to lead to reduction by as much as 35 percent in the $54 billion of commercial bank debt of that country.

For the average citizen in Latin American, the region's weak eco-

See DEBT, Page 17

Crédit Agricole Looks Far Afield

French Bank Expands From Farm Activities

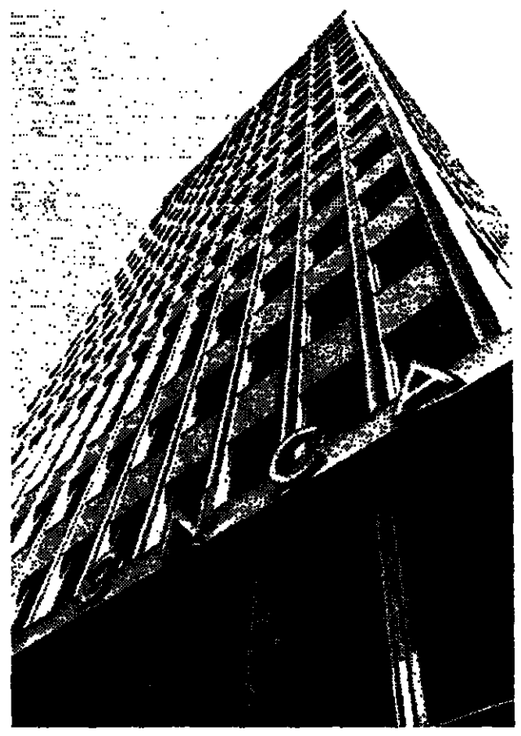
By Pia Farrell
Special to the Herald Tribune

PARIS — Like a recently awakened giant, Crédit Agricole of France is gathering its sprawled limbs, pulling itself to its feet and looking for new lands to conquer.

The largest bank in the world outside of Japan, according to an Institutional Investor magazine ranking by 1988 assets, Crédit Agricole is looking to expand primarily in Europe, with the United States also on its horizon.

The Green Bank, as it is often called, has come a long way from its initial role as a state-guaranteed deposit bank and lending institution for the country's agriculture sector, similar to the U.S. Farm Credit System. But although it has expanded its services to many other financial sectors, its profits do not match its size.

"We want to become a major European bank in terms of results," said Philippe Guiral, Crédit Agricole's deputy director. An official of the Bank of France who asked not to be identified predicted the institution "will become a major banking force in Europe."



Headquarters of Caisse Nationale de Crédit Agricole in Paris.

But profitability is a problem. Although its 1.276 trillion francs ($190 billion) in assets make it the ninth-largest bank in the world, it ranked only 23d in pretax profit last year, with net income of 3.93 billion francs.

That performance marked a 57.2 percent increase from the 1987 level of 2.5 billion francs and was the largest profit in France. In fact, 1988 was the first time in its 62-year history that Crédit Agricole led the country's banks in profit. Nearly 70 percent of its income came from nonagricultural activities.

"We're getting increasingly more interested in profits," noted Michel Horps, the director of Union d'Etudes & d'Investissements, Crédit Agricole's merchant banking arm. "Making money is our priority today, whereas in the past our first and foremost function was serving the general interest."

Crédit Agricole got a boost in 1987, when the French government put it in charge of placing most of the stock in public companies being sold to the private sector.

"We were somewhat puzzled

See AGRICOLE, Page 15

Monetary Union Plan for Europe Makes Progress

Compiled by Our Staff From Dispatches

ANTIBES, France — European Community finance ministers took a small step over the weekend on the road to monetary union, but failed to resolve fundamental differences on the ultimate goal of a single currency.

France was rebuffed in its bid to force the pace on key treaty changes to create a common EC currency, but Britain also failed to rally support for a radical alternative proposal.

The result of two days of informal talks on the Cote d'Azur was broad agreement on how to increase economic cooperation from next July in the first phase of the controversial Delors plan for monetary union. The plan is named for Jacques Delors, president of the EC's executive Commission.

"We have avoided stagnation," Mr. Delors said at the end of the talks, "the old continent of Europe is going to make progress."

But several nations, led by Britain, raised objections about sweeping proposals in the final two stages of the blueprint for a European central bank — controls on budget deficits and, ultimately, a single currency.

The British chancellor of the Exchequer, Nigel Lawson, launched a counter-attack by outlining a plan to make all EC currencies legal tender throughout the bloc, rejecting later stages of the report presented by Mr. Delors.

"We simply do not accept the move to a single European currency," he told reporters.

The informal meeting of ministers and their central bank governors broadly approved draft plans on increased economic and monetary coordination drawn up by the commission.

The plans will be presented as legislative proposals to a formal meeting of finance ministers of the 12-member group on Nov. 13. If approved, they would form the basis for the launch of the first phase of the Delors plan on July 1, 1990.

"I am convinced we will have a majority," said the French finance minister, Pierre Bérégovoy, who chaired the meeting.

Mr. Bérégovoy went into the weekend meeting seeking early agreement on a date for a conference to discuss changes to the community's founding charter, the Treaty of Rome.

Monetary officials said that Britain, backed by West Germany, the Netherlands, Denmark and Luxembourg made clear they would not be steam-rollered into changes needed to set up a federal system of central banks and a single currency.

Mr. Lawson sketched ideas for so-called competing currencies, in which each EC nation's money, instead of being directed by a central authority or being replaced by a single currency, would become legal tender for businesses anywhere in the community.

National governments would thus retain full rights to direct their economies, but they would be constrained by market forces to keep their currencies strong through sound fiscal and budgetary strategies, he said.

Mr. Lawson said full details of his proposals would be made available to ministers shortly.

But in a press conference, he seemed uncertain about key areas of the package, such as the role of the European currency unit and how, in a competitive market, to prevent the Deutsche mark from crushing weaker currencies.

The West German finance minister, Theo Waigel, said several ministers felt "a certain skepticism," especially about the Lawson plan's impact on weaker currencies.

(Reuters, AFP)

Industry Ills Reflected in Bloomingdale's Plan

By Mark Potts
Washington Post Service

WASHINGTON — The news that Bloomingdale's, one of the best-known U.S. store chains, has been put up for sale is one more indication of upheaval in the department and specialty fashion store industry.

Many well-known U.S. chains have been put up for sale, filed for bankruptcy or encountered serious financial problems in the past few years, in some cases as the result of a wave of leveraged buyouts that has swept through the industry.

In the past few months alone, such well-known stores as Macy's have been reported to be having financial problems, while the company that owns the Bonwit Teller and B. Altman stores has filed for federal bankruptcy protection.

But the news that Campeau Corp. the Canadian real estate and retail conglomerate, is being forced to sell Bloomingdale's, its crown jewel, came as a shock. The 17-store chain, known affectionately by industry insiders and customers alike as "Bloomies," is considered one of the premier U.S. retailers, a leader in fashion, style and merchandising trends almost since its founding in 1872.

"I don't think there is another retailer any-

See BLOOMIES, Page 15

U.S. Computer Funding Gives Industry Boost

By Evelyn Richards
Washington Post Service

WASHINGTON — The U.S. government's $2 billion computing initiative, unveiled last week, will likely help the United States keep its strong lead in scientific and defense-related research and has the potential to increase industrial competitiveness, according to executives of high-technology companies.

In particular, they say, the proposal to create a computer "superhighway" capable of transmitting 1,000 times more data per second than today's networks could make powerful computers available to companies designing everything from automobiles to semiconductors — though that trickle-down effect would take time.

"There is a very definite link between the application of supercomputers to products which we sell both in the U.S. and abroad, and what the government is trying to do," said Alan Weis, vice president of scientific and technical computing for International Business Machines Corp.

The government's program, which closely parallels legislation introduced by Senator Albert Gore, Democrat of Tennessee, would double over five years the federal spending on high-performance computers.

The plan does not detail where the $1.9 billion in additional funding would come from, but the administration reportedly expects several agencies to support its goals in their fiscal 1991 budgets.

While the United States is thought to have the lead in building supercomputers for scientific as well as commercial use and in sending data over networks, officials said that continued government support is needed to keep this edge.

The largest chunks of President George Bush's blueprint would be spent on research in supercomputers and software, each of which would receive about $650 million.

While today's supercomputers can perform billions of operations per second, the plan sets a goal of pushing that figure into the trillions. In the software area, the plan targets "grand challenges" — huge scientific problems requiring massive amounts of computer processing in areas from superconductivity to anti-submarine warfare.

"The kinds of applications that are targeted are the peak of the pyramid. They're the intractable problems that have a national security implication," said Gary Smaby, a Minneapolis computer industry consultant.

■ Cray Faces Challenge

John Markoff of The New York Times reported:

Cray Research Inc., the U.S. supercomputer maker, faces a growing challenge from rival machines that are less powerful but also less costly.

The Minneapolis-based company has already found its top-of-the-line market threatened by Japanese companies and IBM.

The threat at the low end comes from makers of "mini-supercomputers." These machines have as much as a quarter of the performance of a Cray for some applications, but sell for as little as a tenth of the price of the most powerful machines, which can cost $2.5 million to $25 million. The leader in the mini-supercomputer field is Convex Computer Corp.

So much has the competition from below concerned Cray that the company may respond with a scaled-down machine of its own — a "Crayette," in industry jargon.

Such a move would be fraught with risk for Cray, which prides itself on producing limited quantities of handcrafted systems that outrace the competition. Entering the mini-supercomputer market would mean lower margins, higher marketing expenses and an investment in costly mass-production technology.

Davis Puts UAL Bid on Hold

United Press International

LOS ANGELES — The investor Marvin Davis disclosed that he has reached a "standstill" agreement with UAL Corp., parent of United Airlines, under which he has agreed not to seek a hostile takeover of UAL for a year.

In exchange, Mr. Davis will receive access to nonpublic financial and operating information about the company. Mr. Davis has made a $275-a-share bid for UAL that values it at $6.2 billion.

"We believe this is a constructive step in achieving an outcome that will serve the best interests of UAL's shareholders and other constituents," Mr. Davis said. UAL representatives were not available for comment.

Mr. Davis made an initial $240-a-share offer to UAL in early August. He increased the bid to $275 on Aug. 16 and made a preliminary move toward a hostile bid by establishing a record date for a consent solicitation to oust all 15 UAL board members except for the chairman, Stephen Wolf.

Last week, Mr. Davis said that he could sweeten his bid to as much as $300 a share, or $6.75 billion. That figure would match a proposed leveraged-buyout bid by a labor-management group, backed by Mr. Wolf and UAL's marketing partner British Airways PLC.

Currency Rates

Cross Rates

Sept. 8

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.2285	3.458	1.127	0.3346	0.1573 *	—	5.391 *	1.2044	1.3255 *
Brussels(a)	41.4725	64.16	20.971	6.288	2.9181 *	18.552	—	24.3405	0.3871
Frankfurt	1.9832	3.069	—	0.2969	0.1395 *	0.8872	4.782 *	1.1970	1.2525 *
London (b)	1.5485	—	3.2643	10.3155	2.795.50	3.4523	64.67	2.446	236.57
Milan	1,421.70	2,199.55	716.76	212.79	—	633.97	34.278	830.78	7.698
New York(c)	—	1.5375 b	1.9954	0.722	1,428.00	2.249	41.685	1.7245	147.215
Paris	6.68	10.339	3.3686	—	0.47 *	2.9891	0.1611	3.9853	4.5595 *
Tokyo	144.90	227.70	74.86	21.98	0.1035	65.76	3.544	85.83	—
Zurich	1.709	2.6456	0.8827	0.2563	0.1284 *	0.7663	4.7287 *	—	1.1666 *
1 ECU	1.9474	0.6769	2.6768	0.9968	1,488.49	2.3486	43.4287	1.7916	183.414
1 SDR	1.2345	0.799	2.4522	0.2597	1,757.59	2.7642	51.3799	2.1162	181.268

Closings in London and Zurich. Rates in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	615.00	Fin. markka	4.46	Mex. peso	2480.00	S. Afr. rand	2.809
Austral. $	1.3135	Greek drac.	170.75	N. Zealand $	1.70	Soviet ruble*	0.6444
Austr. schil.	13.92	Hong Kong $	7.8875	Nig. naira*	5.2995	Span. peseta	123.65
Brazil cruz.	2.941	Indian rupee	14.65	Norw. krone	7.214	Swed. krona	6.676
Canadian $	1.1855	Indo. rupiah	1774.00	Phil. peso	20.78	Taiwan $	25.48
Chinese yuan*	3.7221	Irish £	0.7427	Port. escudo	165.47	Thai baht	25.92
Danish krone	7.7815	Israeli shek.	1.98	Saudi riyal	3.748	Turkish lira	2795.00
Egypt. pound	2.5632	Kuwaiti dinar	0.2992	Sing. $	1.9785	UAE dirham	3.6698
		Malay. ringg.	2.702	S. Kor. won	662.30	Venez. bolív.	38.00

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5413	1.5348	1.5291	Canadian dollar	1.1886	1.1928	1.1948
Japanese yen	146.03	145.63	148.25	Swiss franc	1.7879	1.7957	1.7937
Deutsche mark	1.9795	1.9765	1.9743				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gesbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Sept. 8	Sept. 1	Ch'ge
DJ Indus.	2,709.54	2,752.09	—0.16 %
DJ Util.	215.98	218.62	—1.21 %
DJ Trans.	1,473.68	1,526.30	—3.45 %
S & P 100	324.86	329.55	—1.42 %
S & P 500	348.76	353.73	—1.41 %
S & P Ind	399.47	405.27	—1.43 %
NYSE Cp	193.95	196.37	—1.23 %
Britain			
FTSE 100	2,423.90	2,407.50	+0.68 %
FT 30	2,003.70	1,992.70	+0.55 %
Japan			
Nikkei 225	34,115.00	34,348.00	—0.68 %
West Germany			
Commerzbk	2,052.10	1,995.70	+2.83 %
Hong Kong			
Hang Seng	2,620.63	2,508.91	+4.45 %
World			
MSCIP	527.20	535.30	—1.50 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Sept. 8	Sept. 1
Discount rate	7.00	7.00
Federal funds rate	8 15/16	8 15/16
Prime rate	10½	10½
Japan		
Discount	3¼	3¼
Call money	5 11/32	5¼
3-month interbank	5 9/16	5 15/16
West Germany		
Lombard	7.00	7.00
Call money	6.90	6.90
3-month interbank	7.20	7.15
Britain		
Bank base rate	14.00	14.00
Call money	13 15/16	14.00
3-month interbank	14.00	14.00

Gold	Sept. 8	Sept. 1	Ch'ge
London a.m. fix $	359.20	359.40	—0.06 %

Your Investment Strategy for the 1990s:

An international Asset Mix of stocks and Bonds!

In the few minutes it takes you to read these lines, we will show you how you can invest in the dollar, on Wall Street and in int'l bonds. Not how to speculate, but how to sensibly allocate your money and achieve extra-high returns in result.

The time is ripe with high interest rates, low inflation, continued economic and corporate growth. And a revival of bullishness sweeping the world's stock and bond markets.

With stock prices climbing worldwide, Wall Street and other world markets are nearing or have already broken through their pre-crash highs. Bond markets around the globe are flourishing as inflation cools and interest rates decline. The economic underpinnings are strong, despite the tendency of the media to give to emphasize periodic negative reports. The near-term scenario:

- Interest rates, already down since March, seem poised to fall much further – and propel bonds still higher.
- Corporate profits, amid cheaper money and controlled inflations, will remain strong – and propel stock higher.

Whatever the outcome, you need to work out a balance of sound growth stocks and high-return bonds in the US and other global markets – with USIR's help.

What kind of returns are possible following an international Asset Mix strategy?

- Approximately 25% total returns on bonds, ranging as high as 50% in certain international issues.
- Up to 40% gains on solid US stocks over 12 months, or speculative gains to 100% in riskier stocks over 6 to 9 months.

"Asset-Mix" What is it?

This is not blue sky dreaming. USIR's international Asset Mix approach, which reaped you those kind of profits, has proved to be one of the most successful investment strategies of the past two years – since the world markets plunged in October, 1987. USIR's outlook remained positive, and we continued to suggest heavily invested positions in both bonds and stocks during 1988 and 1989 – while many other professionals and so-called experts not dared touched the market and continued waiting for a depression. They weren't ready for the time when latest bull markets in stocks and bonds erupted last year; we were.

We are not saying an international Asset Mix will repeat those handsome gains during the next two years. But we do feel the global stock and bond markets that lie just ahead can be made to deliver annual returns of 20% or more – given the right strategic ideas, and barring economic or political upheaval.

We mean long-term objectives, not quick-killings within weeks. Some of our bond strategies are designed to work out over as long as 20 years. The two "legs" of our Asset Mix approach – stocks and bonds – support and fuel each other with a mixture of income and capital gains, and of course add global diversity. The bottom line: Experience shows that the USIR Asset Mix approach works.

Why is this so important?

The stock market of the 90's will not be the one we've come accustomed to in the 80's. Regardless of the crash, stock prices have tripled on average since 1982. And at present, while they may not be cheap, stocks offer some of the greatest chances.

Consequently the worlds bond markets justify a one-time opertunity for a double strategy in stocks and bonds. A strategy which can multiply your money over and over again. Most importantly, any investment USIR suggests,stocks or bonds, have the highest quality rating and therefor offer maximum security.

An international bond portfolio – tailored to your needs – follows one basic principle: Highest possible yields resulting from a combination of compounded interests, tax exempt gains on redemption, and cash yields on equity. Currency risks are minimized when all these aspects are carefully weighted and working together they alone allow you to receive the capital returns described above. We call such a bond portfolio a **"Bond Currency Mix".**

The results can be impressive – 35% annual income on your investments, possibly even 39% or 51%, especially if they are leveraged with borrowed capital as we often suggest. Yields that size have the additional benefit of providing cover even for the most severe stock losses. Your equity is therefore not at risk; any speculative risk is almost automatically and completely eliminated.

Stock investments, the other leg of our Asset Mix, can be adjusted and coordinated more freely. The decisive factor here is the timing. Price gains of 20% to 150%, even 300% to 500%, have been recorded in world markets since the crash. We began investing when nobody else touched the market, with a strategy often referred to as "bottom fishing" – buying stocks immediately after the crash had made them cheap.

Price gains for stocks are reflections of expectations. Bond yields can be calculated with a degree of certainity. But if stocks are less predictable, they do result from measurable fundamental factors – things like market share, research budgets, capital spending, debt ratios. These factors can be analyzed rationally.

For that reason, investing in stocks is not a race for some ominous tip, but a thoroughly thought out reaction to solid and reliable information.

Conclusion:

- The more solid your bond base, the more successful your stock investment. The more profitable it is, the more risk you can take in investing in stocks.
- Stock speculations may even be supported with credit, as long as your bond portfolio can cover the financing and the interest payments, while at the same time guarantee redemption.
- You can survive any bearish stock market, even a crash, and in addition remain completely empowered to act as you desire. The crash of 1987 and the months following proved this to be true.

The successfull strategy for the 1990's is, as the Asset Mix approach shows, a question of what world markets have to offer at this time and what can be accomplished in view of their potential. We firmly believe that the Asset Mix method we outlined above is the most intelligent strategy for these times and that it will give you solid annual returns with additional room for speculations.

If you like more information and are interested in our publication, please fill out the coupon and send it to us.

US Investment Report

I would like to see a current issue of your newsletter. Please send me two free copies of US INVESTMENT REPORT along with a subscription form. I understand that there is no obligation.

YES,

NAME: _____

ADDRESS: _____

_____

IHT 11/09/89.

Please send to: HABER SEC., 445 5th Av. (dep. 23 Fl), New York, NY – 10016, USA.
Or contact us directly at US INVESTMENT REPORT: USA – (212) 517–3273

NASDAQ National Market

OTC Consolidated trading for week ended Friday Sept. 8

	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&W Bd			1328	27½	26¼	26½	—1¼
ABS s	.32	4.1	13	7¾	7½	7¾	+ ¼
ABQ			309	1⅜	1¼	1⅜	— ⅛
ACC Cp	.12	1.7	581	7¼	6¾	7⅛	
ADC			409	15⅝	15⅛	15⅛	— ⅛
ADT			11980	32⅞	32	32⅛	— ¼
AEL			151	7¼	7	7¼	+ ¼
AEP			435	21¼	20¼	20¾	+ ½
AIM Tel			280	3¾	3½	3½	
AIRCOA			2	3½	3½	3½	
ALC h			1361	3⅞	3⅛	3⅞	+ ⅜
AME			7	12¾	12	12¾	+ ⅛
ASK			7101	10¾	10⅛	10⅝	+ ⅛
AST			2136	8½	8	8½	+ ⅛
AarnRt	.10	.7	148	13½	13	13½	+ ⅛
AbingB	.32	3.8	238	8½	8¼	8½	
AbaLinc	.20e	1.0	285	22	19½	20	—1¼
Acedin			2385	1⅜	1⅛	1⅛	— ⅛
Accel	t		238	7⅝	7¼	7¾	+ ½
Aceptin			11	20⅞	20⅞	20⅞	
Aclaim s			4932	7¼	6⅝	6⅝	— ⅜
Acl wtB			595	1⅜	1⅛	1⅛	— ⅜
Aceto	.14b	1.0	17	14½	14½	14½	
ACMT			360	9⅝	9¼	9½	+ ¼
AcmeSt	.05e	.3	686	20	19¾	20	+ ½
ActARt s	t		3699	17¼	16½	16½	— ½
ActnSv	.32e	2.5	395	12¾	12	12¾	+ ¼
ActAuSt			121	5⅝	5¼	5¼	— ⅛
Acxiom			1165	18¼	17½	18	+ ¼
AdocLb	.16	3.4	14953	4⅝	4¼	4⅝	+ ⅜
Adage			1415	1⅜	1⅛	1¼	+ ⅛
Adapt			1435	15⅛	14⅜	14¾	— ¼
Adinet s			5990	21½	20½	21	+ ⅛
AdiaSv	.14	.5	364	26½	25¾	26½	+ ¼
AdobeS s	.14	.6	8370	25¾	22¾	23⅝	—1⅞
Adtec			807	3⅜	2⅞	3½	+ ½
AdvCir			1497	6⅝	6⅜	6½	— ¼

	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
BetzLb	1.88	3.3	1259	58	57¼	57¼	— ¼
Big B	.16	1.1	1203	15¼	14½	14⅝	+ ⅜
BioOTr			940	2⅛	1⅞	1⅞	— ⅛
Biodly			177	8¾	8¼	8½	
BiogKg			41	3⅝	3⅛	3⅛	— ⅛
Biogn wt			10	3¾	3¼	3¼	— ⅜
BioLog			109	4⅞	4½	4⅝	+ ⅛
BiMedc			2007	18	16¼	16½	—1⅛
Biogen			11696	14¼	13½	13¾	+ ¼
Biogn pf			1760	28⅝	27¾	28⅛	+ ⅜
Biomet s			3470	27¼	26	26¼	—1
Biosph			27	5¼	5	5¼	+ ⅛
BiotcR			253	6	5½	6	+ ½
BioTInt			179	3	2⅞	3	+ ⅜
BirdInc			685	13	11⅞	11⅞	— ¾
BishGr			2	1⅛	1⅛	1⅛	— ¼
BizMrt			6267	10	9⅞	10	+ ⅛
Blockl	.30e	3.2	12	10	9½	9½	
Blau			30	3⅝	3⅝	3⅝	— ⅛
BilsLau			21	6¾	6½	6½	— ¼
BlckD	.44b	1.8	245	35¾	35¼	35¼	— ½
BRdo un			35	18¼	17	17	—1¼
BoatBn	2.12	5.5	2387	39⅛	38⅝	38⅝	— ¼
BobEvn	.26b	1.7	1704	15⅝	15⅛	15½	+ ⅛
Bogert			114	10⅞	10⅝	10⅝	+ ¼
Boherna	.20	.8	1474	25½	24⅝	24¾	+ ¼
BonvIP			1468	10½	10	10¼	+ ¼
BooleB			226	14¼	13½	14¼	+ ¾
BoomEl			56	4⅝	4½	4½	— ⅛
BostAc			570	21¾	19¾	20¼	—1¾
BostBc	.60	3.4	580	17⅞	17⅝	17⅝	+ ¼
BstnDlg			154	4¼	3⅞	3⅞	
BstnFB	.72	5.4	1098	13½	12⅝	13¼	+ ¾
BlvdBc	.48	1.9	135	25	24½	25	+ ½
BradRE	.68	5.7	114	12	11½	12	+ ½
BradyW	.28	1.1	21	26½	26½	26½	— ¼
BraeCp			239	4¾	4⅜	4¾	+ ¾
Brantre	.36	3.5	107	10⅝	9⅝	10⅝	+ ⅜
Braids			11	4⅝	4½	4½	— ¼

(Continued)

Bond Market

AGRICOLE:

New International Bond Issues

Compiled by G. Jennifer Shapiro

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTE						
Frends II	$328.50	1997	0.75	100	—	Over the 3-month Libor. Fees undisclosed. Denominations $500,000. (Continental Capital Markets.)
Frends II	$38	1997	—	100	—	Estimated yield of 350 to 450 basis point over the 3-month Libor. Fees undisclosed. Denominations $500,000. (Continental Capital Markets.)
Frends II	$13.50	1997	1.00	100	—	Over the 3-month Libor. Fees undisclosed. Denominations $500,000. (Continental Capital Markets.)
Mortgage Securities No. 2 PLC	£150	2028	0.18	100	—	Callable at par in 1994. Over the 3-month Libor until 1999 then rises to 0.50 BP. Fees 0.15%. Denominations £100,000. (J.P. Morgan Securities.)
FIXED-COUPONS						
Kansai Electric Power Co.	$350	1996	9⅛	101¼	99.55	Noncallable. Fees 1⅞%. (Nomura Int'l.)
Mitsui & Co. International	$50	1994	9	101⅝	—	Noncallable. Fees 1⅞%. Denominations $10,000. (Daiwa Europe.)
Sainsbury J.	$150	1996	9⅛	101⅝	99.00	Noncallable, event risk put at par under certain circumstances. Fees 1⅞%. (J.P. Morgan Securities.)
Norsk Hydro AS	DM 250	1999	7¼	101¾	99.10	Noncallable. Fees 1½%. (Deutsche Bank AG.)
Alliance & Leicester Building Society	£125	1999	10½	101.60	99.10	Noncallable. Fees 2%. (Chase Investment Bank.)
Compagnie Bancaire	FF 500	1994	8⅝	101½	99.375	Noncallable. Fees 1⅞%. Denominations 10,000 french francs. (Crédit Lyonnais.)
SBAB	SK 400	1994	11¼	101¾	99.875	Noncallable. Fees 1⅞%. Denominations 10,000 swedish crowns. (Svenska Int'l.)
Electrolux	ITL 125,000	1994	12⅝	101⅞	100.49	Noncallable. Fees 1⅞%. Denominations 5 million lira. (Banca Commerciale Italiana.)
State Bank of New South Wales	Aus$ 100	1999	14¼	101.95	99.285	Noncallable. Fees 2⅛%. (Deutsche Bank Capital Markets.)
Kredietbank International Finance	C$ 75	1992	10¾	101.45	99.95	Noncallable. Fees 1⅞%. (Paribas Capital Markets.)
Council of Europe	Y 11,000	1993	zero	84.57	—	Noncallable. Yeild 5.15. Fees ½%. (Daiwa Europe.)
Federal National Mortgage Ass.	Y 11,300	1992	zero	89.877	—	Noncallable. Fees 1⅜%. (Mitsui Trust Int'l.)
EQUITY-LINKED						
Bandai Co.	$100	1993	3⅝	100	107.75	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 3,783 yen per share and at 147.25 yen per dollar. Fees 2¼%. (Daiwa Europe.)
MCA Inc.	$200	1999	5½	100	—	Callable at par in 1994. "Poison" put at any time if major changes in business of company. Conversion price set at 76.625 dollars. Fees 2¼%. (Salomon Brothers Int'l.)
Sharp Co.	$500	1993	open	100	97.50	Coupon indicated at 4%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Terms to be set Sep. 12. Fees 2½%. (Nomura Int'l.)
Yuasa Battery Co.	$150	1993	open	100	96.375	Coupon indicated at 4¼%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Terms to be set Sep. 13. Fees 2¼%. (Nomura Int'l.)
Nippon Piston Rind Co.	DM 100	1994	open	100	102.25	Coupon indicated at 1⅞%. Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at an expected 2½% premium. Terms to be set Sep. 13. Fees 2¼%. (Deutsche Bank.)
Yamatane Co.	DM 150	1993	1¼	100	106.50	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at 1,394 yen per share and at 74.45 yen per mark. Fees 2¼%. (Nomura Europe.)
Pinault	FF 300	1997	7.30	125	—	Redeemable if unused at 125.00 from Nov. 89 until Apr. 94. Each 2,000 french franc note with four warrants exercisable into company's shares at 650 french franc per share. Fees 2¼%. (Crédit Lyonnais Securities.)

In U.K. Markets, Water Everywhere

Regional Authorities Set £7.25 Billion in Borrowings

By Carl Gewirtz

International Herald Tribune

PARIS — The British water authorities, scheduled to be sold to the public in November, revealed a thirst for cash last week when they announced plans to raise £7.25 billion ($11.23 billion) in the international credit market.

The surprising element was not the amount or the duration of the six-year loans, but that nine of the 10 authorities needing money chose to simultaneously launch separate operations with slightly different terms rather than band together in one large syndication.

To facilitate the initial stock offering, investors will be offered a single share, which then will explode into 10 separate stocks of the individual water authorities.

For their shares to be sold to the public, the water authorities are obliged to show that they have adequate resources to meet their capital-investment commitments.

The law does not specify for what period these resources are needed, and a horizon of six years was was chosen. This prompted cynics to remark that a longer period would have produced a number that might have been more difficult to finance.

Banks committing themselves to providing the necessary cash anticipate that they are unlikely to be called upon to actually lend much money. Once the water authorities are independent, they are expected to tap the bond market for their capital-spending needs.

In principle, the water companies should have little problem tapping the capital market. The reasoning is that, with the British government now actually prepaying existing debt, the water authorities will fill the void left by the government and will be able to sell relatively low-cost bonds to debt-starved domestic institutional investors.

In addition, since there is no risk — as with any other corporate debt — that the private water companies

INTERNATIONAL CREDIT

can go out of business, it should be relatively easy for the water authorities to sell their bonds.

While banks arranging the loans expressed satisfaction about the narrow differences in proposed terms, outside bankers complained about the confusion of aggressive terms.

In addition, these other banks said the differences were initially wider and were narrowed only after the leading British commercial banks were seen to be imposing fees markedly higher than those proposed by local investment banks and the one foreign arranging bank, Manufacturers Hanover Trust.

Since the loans are not expected to be drawn, the key number bankers look at is the commitment fee rather than the lending charge.

Paying the highest fee of 12½ basis points is the Anglian Water Authority, which is seeking £800 million. Thames Water, which is raising £1.5 billion, is offering a commitment fee of 12 basis points. Severn Trent, also seeking £1.5 billion, is paying 10½ basis points, as are North Western, seeking only £1.2 billion, and the Welsh authority, looking for £450 million.

Lead managers of these operations are Barclays Bank, Lloyds Bank and National Westminster

Reflecting competition among banks to win the business, the tightest terms were proposed by U.S.-based Manufacturers Hanover, which is organizing two of the smaller loans — £350 million for Southern Water and £450 million for Wessex. The commitment fee on both starts at 7½ basis points for the first two years, then rises to 10 basis points for two years and then 12½ basis points in the final two years.

The step-ups are not so significant since by then the bank loans will likely have been replaced by capital-market financings and the banks will never see those higher rates.

S.G. Warburg, arranging £400 million for the Northumbrian authority, and Credit Suisse First Boston, managing £600 million for the Yorkshire authority, set commitment fees of 10 basis points.

In the Euronote market, Mitsubishi Corp. Finance appointed Merrill Lynch to arrange a $600 million, medium-term note program with Credit Suisse First Boston, Nikko Securities, Nomura International. Shearson Lehman Hutton, Swiss Bank Corp., UBS-/Phillips & Drew and S.G. Warburg named as dealers.

Mitsui Finance International Ltd. said it has established a $200 million multi-currency global commercial-paper program guaranteed by the parent, Mitsui Bank Ltd.

Australian Panel Is Cool To Elders Rescue of Bond

Reuters

SYDNEY — Australia's panel on monopolies has virtually ruled out a rescue of Bond Corp. Holdings by Elders IXL PLC, forcing Alan Bond to consider other possibilities.

Mr. Bond was reported to be in talks over the weekend in Auckland, New Zealand. Newspaper reports said Lion Nathan Ltd. of New Zealand was interested in buying some of Mr. Bond's brewery interests.

Bob Baxt, the chairman of Australia's Trade Practices Commission, said Lion Nathan, a brewer and liquor retailer, had had talks with the commission but gave no details. He said the commission, a business watchdog with antitrust duties, would be "quite happy" for anyone other than Elders to acquire Bond's brewing assets.

The commission said Friday that it would oppose any move by Elders to increase its 48 percent of the Australian brewing market.

On Thursday, Elders's chairman, John Elliott, had announced that he was putting together a rescue package for Bond Corp. Shares in Bond have fallen sharply in recent months amid fears about the company's high debt levels.

A spokesman for Bond on Sunday declined to comment.

West German Firm Seeks Collection on Iraqi Debt

Reuters

ATLANTA — The West German manufacturer Hertel AG will seek to collect a $2 million Iraqi debt from the Atlanta branch of Italy's Banca Nazionale del Lavoro, according to a weekend report.

The sum represents part of more than $2 billion in unauthorized export credits to Iraq issued by the bank's office in Atlanta.

The Atlanta Constitution, quoting the lawyer Thomas Harrold, reported Saturday that Hertel hired the Atlanta firm of Glass, McColl, Sherrill & Harrold to recover money it says it is owed by State Machinery Trade Co. of Baghdad.

He said BNL Atlanta issued a letter of credit to Hertel for a revolving trade account covering $12.2 million in cutting equipment shipped to the Iraqi firm, on which State Machinery is delinquent on paying $2.3 million.

Suez: Empire-Building At Home Yields Riches

Reuters

PARIS — Thirty-three years after Egypt nationalized the Suez canal, the French group which built and ran it has climbed to the top rung of European industry and banking through a series of aggressive takeovers.

Compagnie Financière de Suez emerged victorious last week from France's largest takeover battle, for control of the insurers Groupe Victoire of France and Colonia Versicherungs of West Germany.

Last year, it fought and won a pitched battle with the Italian businessman Carlo de Benedetti for control of the Belgian conglomerate Société Générale de Belgique, giving it control of nearly one-third of the Belgian economy.

"Générale and Victoire marked major steps on the path toward a European dimension" for Suez, the company's chairman, Renaud de La Génière, said last week.

The group returned to France in 1956 after its eviction from Egypt with a mere $250 million in its coffers as compensation from the Egyptian government.

In 1982, the banking group was nationalized by the left-wing French government. In 1987 it was sold back to the private sector as part of a wide-ranging privatization program.

Since then, thanks to Générale and the insurance acquisitions, Suez has boosted group net profit to an estimated 3.6 billion francs ($538.90 million) this year from 2.1 billion francs. The group's balance-sheet total in 1988 rose to 408 billion francs 344 billion in 1987.

The soft-spoken Mr. de la Génière, a former governor of the Bank of France, said Suez's recent moves were central to his vision for the group at the time of the privatization. "With La Générale and Victoire, Suez is going to become a group which corresponds to the characteristics we fixed at the privatization," he said.

He said that this involved spreading its asset base across Europe and diversifying its business out of banking alone into insurance and financial services.

Most French and European banking analysts applauded Suez's recent moves as part of a coherent strategy, though some warn of the dangers inherent in growing too much too fast.

Alain Tchibozo of the Paris brokerage Tuffier Ravier Py said: "We are favorable on Suez. It is very coherent. Suez has three basic products now — banking, insurance and industrial investments."

But Jean-Baptiste Bellon of Credit Commercial de France added: "Potentially these are fine acquisitions. But Suez today looks like the Roman Empire. The problem will be the management and the cohesion of that empire."

BLOOMIES: *Planned Sale Symptom of Industry Ills*

(Continued from first finance page)

where in the world that has as much panache attached to it and as much cachet around the world as Bloomies," said Kurt Barnard of Retail Marketing Report, a trade publication.

When the chain was bought by Campeau 18 months ago, many analysts thought Campeau's strategy would result in cost-cutting and differences in management that would erode its mystique. Some commentators have seen a serious drop in service, along with more frequent sales and price promotions that they said had a cheapening effect.

The sale is part of a planned restructuring by the debt-ridden Campeau. The announcement on Friday set off a flurry of speculation over who might buy Bloomingdale's, which is expected to fetch more than $1 billion, most likely from a foreign retailer or a group including current management.

The announcement also raised serious questions about the financial health of Campeau, which has been struggling under billions of dollars of debt since winning Bloomingdale's and the other chains owned by Federated Department Stores in a takeover battle with R.H. Macy & Co.

While Bloomingdale's itself is not thought by industry analysts to be in financial trouble, its parent company is. Robert Campeau has run into mounting financial problems in recent years as he has tried to assemble a retail and shopping center empire, with Bloomingdale's at its center.

But Mr. Campeau has had to go heavily into debt to finance his acquisitions — including the $6.6 billion total purchase of Federated Department Stores and Allied Department Stores — and has been spinning off assets to keep ahead of his interest payments.

He has sold the Brooks Brothers, Ann Taylor, I. Magnin and Filene's chains, among others, but as recently as July, he estimated the company's debt at $9.5 billion.

"The fact that Bloomies is the one being sold underscores the seriousness of the Campeau financial situation," Mr. Barnard said.

Bloomingdale's sales last year were just under $1.2 billion.

Mr. Campeau said he had decided to sell Bloomingdale's because the chain is largely a self-contained operation that "has the least in common" with the company's eight other department store chains and "offers the best opportunity to most effectively reduce the company's leverage."

Among the names mentioned as possible buyers for Bloomingdale's were May Department Stores Co., The Limited Inc. and Dillard Department Stores Inc.

But analysts said the buyer might be more likely to come from overseas. Japanese, British and West German store owners have begun moving into the American retailing business in recent years.

Bond Market Rises in Slow Trading

United Press International

NEW YORK — The bond market rallied slightly last week to close a listless, holiday-shortened week of technical trading.

The benchmark long bond, the 8 1/8 of 2019, closed at 100 18/32 to

U.S. CREDIT MARKETS

yield 8.07, off from 8.12 the previous week.

Analysts said the trading week, shortened by a holiday on Monday, had been marked by light activity and no major economic news to move the market.

"In the absence of interesting news from the economic data mills or the Federal Reserve, such mundane fundamentals as supply and demand are the dominant forces in the bond markets," Merrill Lynch's "Fixed Income Weekly" said.

"In the Treasury market, where the new-issue calendar is very light, even a modicum of buying is sufficient to produce some price gains," Merrill Lynch said.

Analysts for Salomon Brothers, writing in "Comments on Credit," said long-term yields were likely to remain between 7.75 and 8.25 for the rest of the year, but "lower yields are likely by mid-1990."

"Integral to this outlook are moderating growth, a firm U.S. dollar and, ultimately, a lower inflation rate," they wrote. "A cautious monetary policy that continues to follow, rather than lead, the bond market remains an equally important factor, one that will keep the yield curve persistently flat."

In Salomon Brothers' "International Market Roundup," analysts predicted that currency and interest rate pressures would subside by the first half of 1990, "when we anticipate a further gradual easing of U.S. monetary policy as U.S. economic growth decelerates to about a 1.5 percent annual rate."

EURO: *Market Little Touched*

(Continued from first finance page)

industrial production, capacity utilization and producer prices.

Meanwhile, in West Germany, where there are as yet no signs of rapid growth feeding inflation, policy-makers are obviously reluctant to raise rates as that will cut domestic demand and widen the already record trade surplus that the country is running against its European trading partners.

Japan, encumbered by domestic political problems, is seen as unwilling to raise rates unless it is forced to do so.

Without any rate changes, most currency traders expect the dollar to test its recent highs of 2 DM and 150 yen. A minority view holds that the dollar needs to go through a minor correction, down to the area of 1.90 DM and 140 yen.

All this is not expected to have much impact on the bond market. There is no danger of a runaway rally in any of the markets, so investors can bide their time about committing new money.

The inverted yield curve in all the major markets, which has short-term bank deposits paying higher interest than on long-term bonds, reinforces the caution.

AGRICOLE: *French Bank Aims to Be 'Major Banking Force' in Europe*

(Continued from first finance page)

because Crédit Agricole didn't have an obvious track record in this area," recalled Jean Gagne, the deputy managing director of Banque Nationale de Paris, a rival institution.

But Crédit Agricole has turned itself into a commercial bank. It provides about 37 percent of bank mortgages for housing in France and about 30 percent of other retail banking services.

"Crédit Agricole is elbowing its way into the retail banking market," said Sophie Childs, an analyst with International Credit Analysis Ltd., a London-based credit-rating agency.

The new direction does face some snags. Conflict of interest exists between the central part of the institution, Caisse Nationale de Crédit Agricole, and its 92 cooperative regional farm banks, whose rural lending activities are financed by Crédit Agricole. The tensions arose when the government sold the bank to the private sector in 1988, one of the most politically sensitive sales in France's five-year privatization campaign.

In that move, 90 percent of the bank's capital was offered to the regional branches, which have become its main shareholders. The regional banks have exerted pressure on the central part to keep to its traditional activities.

As a result of these tensions, setting priorities for 1992, when European Community trade barriers are to be eliminated, is a delicate matter. The managers of Crédit Agricole have called an extraordinary meeting starting Oct. 5 to define the bank's expansion strategy. According to sources at Crédit Agricole, one of the main topics of discussion should be the bank's international push.

"There's always been a need for Crédit Agricole to define a group strategy," said Ms. Childs, "but recently there seems to be an effort at more economic unity between the Caisse Nationale and the regional banks and the group as a whole seems to be becoming more unified."

Crédit Agricole has not much choice today but to diversify.

'Making money is our priority today, whereas in the past our first and foremost function was serving the general interest.'

Michel Horps, director of Crédit Agricole's merchant banking arm.

Farmers deposits have been shrinking regularly: In 1988, they represented 15 percent of the Crédit Agricole's total assets, down from 25 percent five years earlier.

The lifting of state-imposed credit restrictions in 1987, which had blocked most state-run financial institutions in France from lending to corporate clients, have accelerated its diversification drive into commercial banking. "The Caisse Nationale is pushing the other banks in the group into corporate lending," Ms. Childs said.

Its corporate lending subsidiary, Unicredit, is still relatively modest in scope. Most of its loans are sopped up by small to medium-size food-related concerns, Crédit Agricole's traditional clients. Still, Unicredit's profits went up to 60 million francs this year, from 46 million francs in 1987. "The Crédit Agricole is starting to take off in this area," conceded Mr. Gagne of BNP.

The institution also is trying its hand at sophisticated merchant banking and big-time project-financing deals. The bank is a major capital investor in the Channel Tunnel and Euro Disneyland projects.

"We would not have gotten involved in those deals 10 years ago," said Mr. Guiral, who is in charge of the bank's corporate lending department. "But today they're helping us get on the map as a major project financing institution."

Crédit Agricole is starting to pump some money into leveraged buyouts as well. In June, it invested an undisclosed sum for a share of the action in a new European leveraged-buyout investment fund spearheaded by Lazard Frères & Co. Other banks in the 1.8 billion franc pool include BNP, Crédit Suisse and Dresdner Bank AG of West Germany.

Crédit Agricole is also moving into mergers and acquisitions through a March agreement with Daiwa Securities Co. of Japan. The companies pledged to work to promote mergers and acquisitions in France and technology investments and exchanges in Japan.

Last year, Crédit Agricole created a mergers-and-acquisitions division in its Union d'Etudes et d'Investissements merchant banking unit, which now has about 30 clients.

Although about 40 percent of the issues the merchant unit invests in are in the food sector, the bank is increasingly buying up capital in communications and leisure concerns.

"These areas, especially communications, are going to be the fast-growth industries of the future," Mr. Horps said. Crédit Agricole has a 10 percent interest in a French television channel, and it is also investing in the country's cable industry.

Elsewhere in Europe, the merchant banking unit in July took a 20 percent stake in Cofi, an Italian merchant bank.

But Crédit Agricole is still trying to catch up to its French rivals in global activity. Barely 15 percent of its assets are invested outside of France, compared with more than half by such rivals as Société Générale and BNP.

One European strategy is the planned establishment of a network to sell its mutual funds throughout the Continent in anticipation of uniform EC standards.

Crédit Agricole has increased its French market share of mutual funds to 17 percent from about 3 percent a decade ago. The bank today manages about $50 million in mutual funds and private banking activities. "We would like to double that figure by 1990," said Monique Bourven, who heads the capital markets division.

The institution is moving cautiously into the U.S. market. Last March, it opened an investment bank subsidiary in New York that will concentrate on merger-and-acquisition projects, mostly in the consumer food and pharmaceuticals areas.

ANNOUNCING

the next in a series of all-advertising features in The New York Times focusing on the European Community's move to a frontier-free market.

EUROPE: HORIZON 1992

F R A N C E

CURRENT EC PRESIDENT

IRELAND • ITALY • LUXEMBOURG • THE NETHERLANDS

PORTUGAL • THE UNITED KINGDOM • BELGIUM • DENMARK

THE FEDERAL REPUBLIC OF GERMANY • GREECE • SPAIN

It will appear in the Business Day section of The New York Times in December, 1989

The first in the "Europe: Horizon 1992" series appeared in the Business Day section in December, 1988. Each June and December through 1992, The New York Times will publish features updating the European Community's progress toward its historic goal, analyzing such key questions as monetary integration, labor legislation, airline deregulation and those centering on banking and financial services.

As part of the Business Day section of The New York Times, these features will reach highly interested business, financial and government leaders throughout the U.S. One indication of the quality of The New York Times readership:

Readers of The New York Times enjoy the highest median household income among readers of the more than 100 U.S. publications surveyed in the authoritative SMRB Study (1988) — which includes The Wall Street Journal and other leading business publications.

For more information on the next feature, or reservations, call:

Basil Bicknell, Director, International Advertising, Paris, France, Phone: (33-1) 4266-3749

Nick Di Giovanni, Group Manager, International Advertising, New York, NY, USA, Phone: (212) 556-1585

Peter Irby, European Manager, Advertising & Marketing, London, England, Phone: (44-1) 353 2174/3472

Or one of the following European Community advertising representatives of The New York Times:

Belgium, Luxembourg, Netherlands/Arthur Maixner, Brussels. (32-2) 343-1914.
Denmark/Finn Isdahl, E. M. Klubien, Copenhagen. (45-1) 429-325.
France/Evelyn Lechene, Paris. (33-1) 4500 6608
Greece/Symeon Tsomokos, Athens. (30-1) 363-6407.
Italy/Daniele Blei, Milan. (39-2) 890-0318.
Portugal/Roberto Firth Alves, Lisbon. (35-1) 887-844.
Spain/Alfredo Umlauff, Madrid. (34-1) 455-2891.
United Kingdom, Ireland/Tony Beeston, London. (44-1) 834 5566.
West Germany/Just-Andreas Rogge, Dusseldorf. (49-211) 573026.

The New York Times

DSM. A Dutch company with worldwide group investments last year of

Dfl.1 Billion.

DSM is one of Europe's leading chemical groups, with its headquarters in the Netherlands. At the end of September 1989 the Dutch Government will offer one third of the shares in DSM to the Dutch public and certain international institutional investors.

In February of this year a first offer of 12 million DSM shares held by the Government was considerably oversubscribed.

DSM employs 29,500 people worldwide, 2,000 of whom are involved in Research and Development.

With worldwide group sales in 1988 of over Dfl 10 billion, DSM's net profit for the year was Dfl 622 million. The profit recently announced for the first half of 1989 was Dfl 640 million.

Last year the company invested Dfl 1 billion on new installations, improvements to production processes, environmental protection and safety control in additon to acquiring companies important to the long term growth strategy of DSM. A further Dfl 360 million was spent on Research and Development, improving a whole range of already successful products and processes, as well as developing a range of know-how intensive products. In the past, literally thousands of patents have been taken out on new discoveries. These discoveries will form the basis of the company's progress well into the next century.

This emphasis on the future is typical of DSM. It's a philosophy that has seen the company achieve significant growth over the past twenty years. It is now involved in areas ranging from bulk chemicals to a variety of high grade materials, and some of its products are among the world's leaders.

DSM faces the future with confidence.

DSM

This is not an offer of DSM shares.
This advertisement is issued by Naamloze Vennootschap DSM and its contents, which have been prepared by and are the sole responsibility of Naamloze Vennootschap DSM, have been approved by J. Henry Schroder Wagg & Co. Limited, financial adviser to Naamloze Vennootschap DSM and a member of The Securities Association. Shares may go down as well as up. The DSM shares, being denominated in Dutch Guilders, may also go down as well as up in Sterling terms, depending on the Sterling/Guilder rate of exchange. The DSM shares may be difficult to sell other than on the Amsterdam Stock Exchange. The shares have not been and will not be registered under the US securities laws and accordingly may not be publicly offered or sold in the US or to US persons.

Kaifu Set to Revise Unpopular Tax

Reuters

VANCOUVER, British Columbia — Prime Minister Toshiki Kaifu of Japan announced Sunday that his Liberal Democratic Party would unveil a plan soon to revise an unpopular consumption tax.

"We'd like to unveil a detailed plan toward the end of November," he said, but he declined give details.

Mr. Kaifu, who arrived here on Friday on the last leg of a 12-day trip to the United States, Mexico and Canada, said the governing Liberal Democrats recognized the need for a major overhaul of the consumption tax. Political analysts said his remarks were aimed primarily at countering the Japan Socialist Party, which has vowed to submit bills to the Japanese parliament, or Diet, to scrap the consumption tax.

The 3 percent tax, enacted in April, was in part blamed for the defeat of the Liberal Democrats in elections to the Diet's upper house in July. The party lost its majority there for the first time in 34 years.

Elections to the more powerful lower house must be held before next July if Mr. Kaifu does not dissolve the chamber by that time. He sounded unwilling to do so.

"I absolutely have no plans to dissolve the lower house at the moment," he said.

Mr. Kaifu, who took office on Aug. 10, also said an extraordinary session of the Diet may be convened in early October, although the final decision had not yet been made. He said he hoped the next parliamentary session would deal with his party's bills to help promote political revisions.

Referring to the U.S.-Japan talks on trade that began in Tokyo last week, Mr. Kaifu said he understood that the United States wanted to see progress by next spring, when an interim assessment will be made on structural impediments to trade.

"But we are not sure whether we can make a clear-cut progress by that time, although we'll try our best," he said.

Mr. Kaifu said Japan's complex distribution system, land policy and pricing mechanism were among structural problems Japan needed to solve. He also reiterated that Japan would try to become an "import superpower" to help cut its huge trade surplus.

Taiwan Curb On Stocks To Be Eased

Reuters

TAIPEI — Taiwan will soon relax limits on daily share price movements and will eventually abolish all controls, a senior government official said Sunday.

Individual stock prices are now limited to a daily rise or fall of 5 percent.

Lu Tung-ying, vice chairman of the Securities and Exchange Commission, said the first stage of the process will take place as soon as the stock exchange alters its computer software.

"The policy decision has been made," he said, "but we have not yet decided exactly when or exactly how much the first stage should be."

Securities industry sources said the first phase would allow movement of 7 or 8 percent daily and could come into force in mid-October. A second phase, limiting daily movement to 10 percent, could start early next year, they said.

Mr. Lu said the government wanted investors to make decisions on company fundamentals instead of gambling on prices. "We have to teach them to decide to invest based on the company and not on the stock price," he said.

Many investors now rush to buy stocks approaching their daily limits in the expectation that pent-up demand will continue to drive prices up.

In addition to broadening the limits, the Stock Exchange will no longer publicize the number of orders for stocks that have reached their daily floor or ceiling. Investors have used the number as a gauge to the extent of pent-up demand.

Mr. Lu said that change could start by the end of next week.

Vietnam Seeks IMF Help on Loan Package

Reuters

HANOI — Vietnam is trying to escape from its economic dead-end street by gaining International Monetary Fund support for a $300 million commercial bank loan that would help unlock new IMF money, a senior Vietnamese banker said Sunday.

Nguyen Cong Hai, deputy director of the foreign department of the State Bank of Vietnam, said the aim was to generate funds to implement a one-year stabilization plan and to restore normal relations with the fund.

The plan, to be put before IMF and World Bank meetings in the next few weeks, reflects hope in Hanoi that Western countries will ease their isolation of Vietnam after it withdraws its troops from Cambodia later this month.

However, diplomats and foreign bankers said there was considerable doubt that the United States, which wields immense influence at the IMF and World Bank, would soften its line against its old communist enemy to allow the package.

Mr. Hai said in an interview that Vietnam had proposed that the French bank, Banque Français Pour Commerce Extérieure, which has an office in Ho Chi Minh city in the south, be asked to lead a consortium of banks to raise $300 million in loans.

Of this, about $130 million would be used to pay off IMF arrears dating from the end of 1988. Because of those arrears, the fund barred Vietnam access to its facilities.

The remaining $170 million would be used to help put into practice a 12-month plan, worked out with IMF guidance, to fight inflation, lower the yawning budget deficit and build up tiny hard-currency reserves.

Clearing the IMF arrears would make Vietnam, whose 65 million people live in one of the world's poorest economies, once again eligible for several IMF facilities.

DEBT: *Latin America Posts Cuts*

(Continued from first finance page)

nomic performance has meant a declining standard of living.

"This has been a lost decade for Latin America," Enrique Iglesias, president of the development bank and a former foreign minister of Uruguay, said at a news conference.

But citing expanding exports and widespread economic liberalization, he said the future looked better.

The region's exports in 1988 came to a record $102.6 billion, up 14 percent from 1987.

WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

The Christian Democrats' victory in the Sept. 6 general election came as a relief to the market, and domestic and foreign buyers pushed the CBS general index up to a record 210.5 on Friday, from 204.7 a week earlier. Turnover reached 7.7 billion guilders, against 7.0 billion the previous week.

The market's reaction was despite the fact that the party still needs to form a workable coalition.

The Kempen & Co. brokerage thinks Amsterdam prices will receive strong support coming weeks.

Frankfurt

After a short consolidation phase early in the week, the Frankfurt market reached record highs. The Commerzbank index moved past 2,000 points for the first time since Oct. 5, 1987, ending the week at 2,052.1. The DAX indicator closed Friday at 1,657.61, up 49.28.

The strongest influence on the market was the report of an exceptional 4.9 percent annual growth rate in the West German economy in the second quarter.

Volume on the eight exchanges totaled 36.86 billion Deutsche marks, up from 25.24 billion DM the previous week.

Hong Kong

Renewed buying interest enlivened the market, and the Hang Seng index gained every day. On the week, it finished 111.72 points higher at 2,620.63, after losing 7.87 the previous week. The broader-based Hong Kong index gained 74.91 points to finish at 1,728.92.

The gains represented a 4 percent rise in share prices and took the Hang Seng through the 2,600-point barrier.

Average daily turnover expanded sharply to 844 million Hong Kong dollars from 500 million.

London

The market moved higher, with few economic indicators to upset the steady trend. Despite a significant downward correction on Wednesday. the FTSE index climbed to within 20 points of its record high, adding 16.4 points on the week to close at 2,423.9.

Speculation that the Bundesbank would raise interest rates at its meeting Thursday proved unfounded, and the market took advantage of the news, along with the realization that Polly Peck's purchase of the fruit business of Del Monte would not be wholly financed by a rights issue.

Dollar strength throughout the week supported major exporters, especially in the pharmaceutical sector.

Milan

The five-week streak of gains ended for Milan, which was hit by fallout from the Banca Nazionale del Lavoro affair and the resignation Thursday of the bank's chairman, Nerio Nesi, as well as by profit-taking.

The Mediobanca index fell to 325.21 on Friday, against 336.06 a week earlier, and the Comit index was down to 711.26 from 734.12. Volume averaged a thin 55 million shares a day, down from 70 million the previous week.

Paris

Bourse prices reached record highs on four days, leaving an overall gain on the week of about 3 percent. The SBF (formerly CAC) index ended the week at a record 540.5, against 526.4 the previous Friday.

Most analysts expect the upward trend to continue before a correction sets in. They said industrial economies are generally healthy, while the French franc is strong and French businesses have announced encouraging half-year results.

Singapore

Share prices rose, setting the Straits Times industrial index above the 1,400-point barrier to close Friday at a post-October 1987 record of 1,419.69, a gain of 55.96 points. The SES all-share index gained 11.38 points to finish the week at 371.08.

Blue chips received support, as did property and marine issues and warrants.

Volume rose sharply on a large number of block deals.

Tokyo

Prices fell for the third week in a row as investors became increasingly nervous over the yen-dollar exchange rate and bond prices. The Nikkei average closed at 34,115.81 yen Friday for a weekly setback of 232.41 points. The Topix index fell 19.39 points to 2,583.12.

Trading remained lackluster. Turnover averaged 594.8 million shares a day, compared with 539.3 million the week before.

The market got off to a good start Monday with a largely technical advance, but fell thereafter. The analyst Tesuga Takeuchi said that private investors led the market, with institutions remaining cautious about a possible rise in interest rates.

Zurich

Stocks made moderate progress despite a dip on Friday. The Crédit Suisse index finished at 670.2 points, against 663.5 the previous Friday, while the Swiss Bank Corp. indicator ended at 707.5, against 704.4.

Blue chips and chemicals made good progress, as did insurance stocks and industrials. Alusuisse gained on rumors of West German takeover interest.

U.S. Consumer Rates

Sept. 8

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.33 %
Money Market Funds	
Donoghue's 7-Day Average	8.58 %
Bank Money Market Accounts	
Bank Rate Monitor Index	6.45 %
Home Mortgage, FHLB average	10.17 %

Source: New York Times.

Treasury Bonds

Sept. 8

Maturity	Close Bid	Close Ask	Yield	Wk-ago Yield
31.08.91	99 31/32	100 1/32	8.25	8.32
15.08.92	99 2/32	99 4/32	8.23	8.27
30.06.93	99 22/32	99 24/32	8.21	8.26
15.11.94	100 12/32	100 14/32	8.15	8.16
15.07.96	98 11/32	98 13/32	8.19	8.20
15.08.99	99	99 2/32	8.14	8.17
15.02.06	110 18/32	110 22/32	8.19	8.25
15.08.19	100 17/32	100 19/32	8.07	8.12

Source: Salomon Inc.

Euromarts At a Glance

Eurobond Yields

	Sept. 6	Aug. 30
U.S. $, 5 to 7 yrs	8.98	9.07
U.S. $, less than 5 yrs	8.73	8.78
Pounds sterling, less than 5 yrs	11.74	11.58
French francs, less than 5 yrs	8.86	8.83
Danish krone, less than 5 yrs	9.75	9.69
ECU, 8 yrs & over	8.46	8.41
ECU, 5 to 7 yrs	8.59	8.58
ECU, less than 5 yrs	8.75	8.75
Can. $, less than 5 yrs	10.89	10.74
Aus. $, less than 5 yrs	15.85	15.91
N.Z. $, less than 5 yrs	13.28	13.18
Yen, 5 to 7 yrs	5.39	5.35
Yen, less than 5 yrs	5.33	5.30

Source: Luxembourg Stock Exchange.

Weekly Sales

Sept. 8

Primary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	117.30	689.90	1,412.80	508.80
Convert.	—	—	—	42.30
FRNs	15.00	—	300.00	—
ECP	1,964.10	214.90	8,238.90	1,820.90
Total	2,096.40	904.80	9,951.70	2,372.00

Secondary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	3,796.50	6,449.50	11,880.70	5,474.90
Convert.	802.30	713.10	568.90	545.10
FRNs	494.00	643.30	2,416.10	2,389.90
ECP	2,383.30	606.50	2,198.40	718.50
Total	7,476.10	8,412.40	16,976.10	9,128.40

Source: Euroclear, Cedel.

Libor Rates

Sept. 8

	1-month	3-month	6-month
U.S. $	9	9	9
Deutsche mark	7 1/2	7 1/2	7 1/2
Pound sterling	14 1/8	14 1/8	14 1/8
French franc	9 1/16	9 3/16	9 1/4
ECU	9 7/16	9 1/2	9 1/2
Yen	5 1/4	5 1/4	5 3/8

Source: Morgan Guaranty, Lloyds Bank, Reuters.

MBB: *'Marriage of Elephants' Stirs Up Broad Waves*

(Continued from page 1)

U.S. trade representative, was especially critical of the foreign-exchange subsidy in visits to Europe last year and sources at the U.S. Trade Representative's office said that the subject could be near the top of the agenda in Bonn.

But the Americans may not be alone in early confrontations with the new German company.

The French had a foretaste, this summer, of a more assertive and demanding West German partner in the Airbus consortium. French and German participation in the consortium is equal, with each controlling 37.9 percent and with the French stake in the hands of the state-owned group Aerospatiale.

This summer, Hartmut Mehdorn, a board member of MBB, called on Airbus to decide this year whether to open a new assembly line at MBB's works in Hamburg. He claimed such a move would allow considerable cost savings for the consortium as a whole.

But Aerospatiale has had the leading role in Airbus construction and was less than enthusiastic about the bid for Hamburg. Such initiatives may not be unusual when the West German stake in Airbus lies solidly in the private sector, beyond the direct reach of politicians and diplomats concerned about French-German relations.

Although this will not happen until well into the next decade, the German management is likely to get progressively less patient with losses as that date approaches.

Analysts have also forecast that the creation of a single West German aeronautics and defense giant may lead to a similar consolidation in France, where the major players — including, besides Aerospatiale, Matra SA, Avions Marcel Dassault and Thomson-CSF — currently are much smaller.

There have already been signs of such consolidation, for example in the decision earlier this year of Aerospatiale and Thomson to pool their defense-electronics businesses in a joint venture.

France historically has been wary of any sudden technical or organizational advances in potential military prowess across the Rhine, and the marriage of the German elephants may be considered exactly that in some French defense circles.

Mark Revaluation Opposed in Bonn

Reuters

HAMBURG — The West German government is opposed to a revaluation of the Deutsche mark, the Bundesbank president, Karl Otto Pöhl, said in a newspaper interview published on Sunday.

Earlier, in excerpts from an interview released before publication, the newspaper Welt am Sonntag had quoted Mr. Pöhl as saying that West Germany's large foreign trade surplus indicated the need for a revaluation.

The full interview quoted Mr. Pöhl as saying that the government would "not like to revalue the mark, especially as France has just said the franc rate should remain stable against the mark."

Disney Animators in France

Agence France-Presse

PARIS — Walt Disney Studios has announced that it will set up an animation studio in the Paris area to turn out feature-length cartoons and television programs.

Wall Street Review

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
Texaco	92961	51 3/8	50 1/8	51 1/4	+ 3/4
GMotr s	72905	50 1/2	49 1/4	49 7/8	— 1/8
Exxon	61089	44 3/4	43 5/8	44 3/8	+ 1/8
BristMy	60320	51 1/8	50 1/8	50 3/4	+ 3/8
Airgn n	59889	25 1/2	19 7/8	20 1/4	—4 3/4
AT&T	59585	40 1/2	38 1/2	39 1/4	—1
Upjohn	58587	41 3/8	38 3/4	39 1/4	— 1/4
AMR	57359	91 1/8	80 1/2	81	—8 3/4
McDnl s	56897	29 3/8	28 1/8	28 3/4	— 1/4
EKodak	54829	50 3/8	47 1/4	49 7/8	+1 1/8
IBM	51285	118 1/4	115	116	—1 3/8
NiaMP	48367	13 5/8	12 3/4	13 1/8	+ 3/8
GenEl	45410	58 1/2	55 1/4	58 1/2	—1 1/8
PhilPet	43757	28 1/4	27	27 5/8	— 1/2
Genetch	43439	21 1/8	18 7/8	20 1/2	+1 1/4
Goodyr	43222	59 3/4	55 1/4	57	+3 1/4
SmtB eq	43154	43 1/2	41 1/2	42 1/8	— 5/8
UAL Cp	40697	294	276 1/2	280 1/4	—6 3/4
GIWFn	40577	22 1/8	20 1/4	21 1/2	+1 1/8
Merck	39238	74	70 5/8	70 7/8	—2 7/8
Citicorp	37840	32 5/8	31 1/4	31 1/2	—1
Fiintste	37307	48 5/8	45	46 1/2	—2 1/4
Chrysir	36718	27 3/8	26 1/8	26 1/4	— 1/2
Holiday	35642	85 1/4	79 5/8	84 3/4	+4 3/4
USX	35253	35 1/8	34 1/4	34 5/8	— 3/8

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
BAT	37432	13	12 5/8	12 3/4	— 3/8
TexAir	19735	20 7/8	19 1/8	19 1/4	—1 3/8
WangB	17379	5 7/8	5 3/8	5 7/8	+ 1/2
Atari	14196	10 5/8	9	10 7/8	+2
Dixsonc	13958	4 7/8	3 3/8	4 1/8	+ 3/4
DataPd	13821	12 3/8	9 5/8	9 7/8	—2 3/4
EchoBy	12539	16 1/4	15 1/8	15 7/8	— 1/4
BoirPh	11314	21 1/8	19 5/8	19 3/4	+ 3/8
Telesph	10442	4 3/4	4 1/8	4 3/8	— 1/8
Alza	9496	40 1/4	37	39 1/8	+ 3/8
FruitL	9017	15 7/8	15	15 1/4	— 1/4
Kirby	9014	9 1/2	8 1/4	9 1/4	+ 1/2
Thermd	8853	18 3/8	15 1/2	18 1/4	+2 7/8
Amdhl	8274	15 3/8	15 1/8	15 3/8	
NelsnH	7028	1 1/4	7/8	1 1/8	+ 3/8
GlantFd	6982	31 1/4	30 3/8	31 1/4	+ 1/2
Cross	6280	38 1/4	32 3/4	34	—4 3/4
IntTich	6247	5 1/4	3 1/2	4 3/4	+1 1/4
A-ibm sc	5922	15 1/4	14 1/2	15	+ 1/4
ICH	5671	5 1/4	4 7/8	5 1/8	+ 1/8
A-bmy sc	5354	23 3/8	19 3/4	23 1/4	+3 3/4
FAusPr	5089	9 1/4	8 7/8	9	+ 1/8
A-chv sc	4716	11 7/8	8 3/4	11 1/4	+2 3/4
ENSCO	4637	4 1/8	3 3/4	4	
Oranam	4087	15 1/4	12 7/8	15 1/2	+2 3/4

NYSE Sales

	Sales Vol.
Total for week	621,230,000
Week ago	757,460,000
Year ago	552,760,000
Two years ago	765,600,000
Jan 1 to date	29,159,490,980
1988 to date	28,314,030,800
1987 to date	29,727,570,000

AMEX Sales

	Sales Vol.
Total for week	51,228,000
Week ago	69,118,000
Year ago	34,908,000
Jan 1 to date	2,120,000,000
1988 to date	1,777,410,000

NYSE Diaries

	This Wk	Last Wk
Advanced	726	1091
Declined	1079	765
Unchanged	347	331
Total Issues	2152	2187
New Highs	196	278
New Lows	51	37

AMEX Diaries

	This Wk	Last Wk
Advanced	381	457
Declined	399	346
Unchanged	224	216
Total Issues	1004	1019
New Highs	84	104
New Lows	30	33

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

	Sales in 100s	High	Low	Last	Net Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

American Exchange Options

Figures as of close of trading Friday. Sept. 8

Option & price		Calls		Puts	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total volume 294,130

Open interest 2,809,636

r—Not traded. s—None offered. o—Old.

Chicago Exchange Options

Figures as of close of trading Friday. Sept. 8

Option & price		Calls		Puts	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total volume 568,886

Open interest 5,161,847

r—Not traded. s—None offered. o—Old.

MONDAY SPORTS

Cowboys Fall, 49ers Win Opener

PRO FOOTBALL

The Associated Press

NEW ORLEANS — Bobby Hebert directed a ball-control offense that propelled New Orleans to a 28-0 victory over Dallas on Sunday, handing Jimmy Johnson his first pro coaching defeat and giving the Cowboys their first regular-season shutout loss since 1985.

Derrick Shepard returned a punt 56 yards for a touchdown as the Saints spoiled the day for Johnson, who left a successful Miami, Florida, program to take over the Cowboys job from Tom Landry. Landry coached the Cowboys through their first 29 seasons.

The Saints used 19 minutes, 14 seconds on two first-half touchdown drives — the first an 8:21, 11-play, 74-yard march capped by Dalton Hilliard's 5-yard run; the second a 73-yard, 17-play drive that consumed 10:53. Craig Heyward went over from 1 yard out to end that drive.

The dominance continued in the second half, with the Saints controlling the ball for 10:01 of the scoreless third quarter and 11:04 of the final period.

New Orleans used 8:33, including the first 7:42 of the fourth quarter, on an 89-yard drive to a 1-yard touchdown run by Paul Frazier.

49ers 30, Colts 24: In Indianapolis, Roger Craig rushed for two touchdowns, and Joe Montana passed 58 yards to Jerry Rice for another score as San Francisco stopped Indianapolis in George Seifert's debut game as the 49ers head coach.

Eric Dickerson of the Colts ran for 106 yards, making him only the seventh NFL player with at least 10,000 yards rushing in his career.

Buccaneers 23, Packers 21: In Green Bay, Wisconsin, Vinny Testaverde led Tampa Bay to three second-quarter touchdowns and Mark Robinson's interception at the 8-yard line stopped a Green Bay drive with five minutes left.

The Packers drove from their 30 to the Tampa Bay 16 before Robinson came up with his second interception of the game and the third of the day for the Buccaneers off Don Majkowski.

Tampa Bay led 20-7 at the half before the Packers pulled within 23-21 with 14:05 left.

Bears 17, Bengals 14: In Chicago, Mike Tomczak came back from a disastrous three quarters in his first game as Chicago's undisputed quarterback and threw a 20-yard fourth-quarter touchdown pass to James Thornton to stop Cincinnati. Tomczak, who was just 6-for-16 for 80 yards with two interceptions over the game's first 45 minutes, was 4-for-7 for 79 yards in the 95-yard drive capped by the touchdown pass to Thornton with 4:54 left.

Cardinals 16, Lions 13: In Pontiac, Michigan, Al Del Greco's 33-yard field goal with 13 seconds to play upstaged the impressive debut of Heisman Trophy winner Barry Sanders as Phoenix got by Detroit.

Sanders entered the game with 5:34 remaining in the third quarter. He scored a toucdown with 3:01 left in the period and finished with 71 yards on 9 carries.

Rams 31, Falcons 21: In Atlanta, Jim Everett accounted for two touchdowns to overcome a 68-yard punt return by rookie Deion Sanders as Los Angeles powered past Atlanta. Everett connected on a 46-yard pass to Henry Ellard on the final play of the first half to put the Rams ahead to stay, 17-14.

Virginia Upsets Penn State, 14-6, And Miami Blasts Wisconsin, 51-3

COLLEGE FOOTBALL

The Associated Press

Penn State had its first losing season in 50 years in 1988. This season didn't start any better.

Shawn Moore threw two first-half touchdown passes to Herman Moore as Virginia upset the 12th-ranked Nittany Lions, 14-6, on Saturday in University Park, Pennsylvania.

Penn State, which managed only two second-half field goals by Ray Tarasi, lost for the sixth time in seven games, its worst stretch in Joe Paterno's 23 years as head coach.

"I'm disappointed but not discouraged," Paterno said.

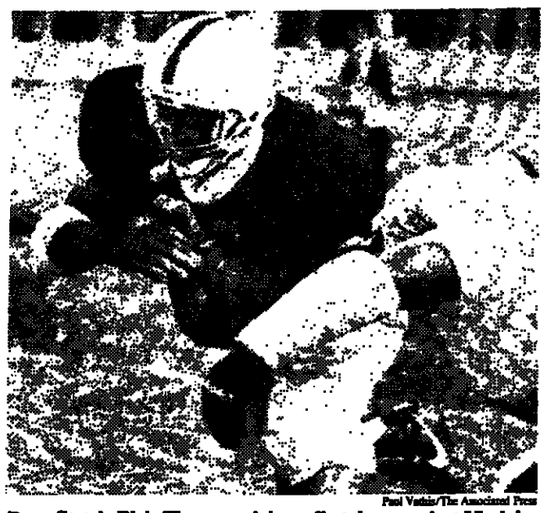
Miami 51, Wisconsin 3: In Madison, Wisconsin, Craig Erickson shook off a sluggish start to throw four touchdown passes, including two to Wesley Carroll, as the No. 3 Hurricanes won in their first game under Dennis Erickson.

Nebraska 48, Northern Illinois 17: In Lincoln, Nebraska, Ken Clark rushed for 168 yards and one touchdown as the No. 4 Cornhuskers overcame five first-half turnovers.

Auburn 55, Pacific 0: In Auburn, Alabama, Alexander Wright caught four long touchdown passes to set a Southeastern Conference yardage record and No. 5 Auburn piled up 586 yards in total offense. Wright caught scoring passes of 78, 73 and 60 and 41 yards.

Tennessee 24, UCLA 6: In Pasadena, California, freshman Chuck Webb rushed for 134 yards on 22 carries and scored two touchdowns to lead the Volunteers over the No. 6 Bruins.

Oklahoma 33, Baylor 7: In Norman, Oklahoma, backup quarterback Chris Melson scored once and directed two other first-half touchdown drives for the No. 8 Sooners.



Paul Vathis/The Associated Press

Penn State's Blair Thomas gaining a first down against Virginia.

Colorado 45, Colorado State 20: In Boulder, Colorado, Eric Bieniemy ran for 156 yards and three touchdowns for No. 9 Colorado, which trailed 17-14 in the second quarter but then scored on four straight possessions.

Clemson 34, Florida State 23: In Tallahassee, Florida, Terry Allen scored three touchdowns in the first half, including a 73-yard scoring run for No. 10 Clemson. Allen finished with 130 yards on 20 carries against No. 16 Florida State.

Mississippi State 26, Southern Mississippi 23: In Hattiesburg, Mississippi, Joel Logan kicked a 34-yard field goal with four seconds left to upset No. 18 Southern Mississippi.

Texas Tech 24, Arizona 14: In Lubbock, Texas, James Gray scored two touchdowns and rushed for 224 yards on the way to defeating No. 20 Arizona.

Pittsburgh 29, Boston College 10: In Newton, Massachusetts, No. 23 Pittsburgh dominated with its defense as Carnel Smith scored on a 57-yard fumble return and Marc Spindler set up 10 points with a blocked field goal and a forced fumble.

North Carolina State 38, Georgia Tech 28: In Raleigh, North Carolina, Shane Montgomery passed for three touchdowns and ran for another to lead the No. 25 Wolfpack.

Syracuse 43, Temple 3: In Philadelphia, Bill Scharr scored one touchdown and threw for another as he connected on 14 of 20 passes for the No. 14 Orangemen.

Washington 19, Texas A&M 6: In Seattle, Cary Conklin threw for 224 yards and a touchdown and Greg Lewis ran for 133 yards to lift Washington past the 15th-ranked Aggies.

West Virginia 14, Maryland 10: In College Park, Maryland, Major Harris and Garrett Ford ran for second-half touchdowns as the No. 17 Mountaineers capitalized on two turnovers to overcome a 10-0 halftime deficit.

Michel Lipchitz/The Associated Press

Ana Fidelia Quirot of Cuba stretches a big smile after winning the 800-meters at Barcelona in the third-fastest time ever, 1:54.44.

Wind Stops Kingdom's 110-Meter Hurdles Mark

By Christine Brennan
Washington Post Service

BARCELONA — Roger Kingdom of the United States, the world-record holder in the 110-meter hurdles, ran the fastest time ever run in his event Sunday on the final day of the World Cup track and field meet, but he did not break his record because the wind was above the allowable limit.

Kingdom, pressed by Colin Jackson of Britain, won in 12.87, an astounding time considering the track at Montjuic Olympic Stadium was still wet from heavy rain.

Jackson ran 12.95, the fifth fastest time ever in this event. Kingdom, the two-time Olympic gold medalist, set the world record of 12.92 last month in Zurich.

Weather problems that have plagued this three-day meet took away the possibility that Kingdom's time would be recognized as a new world record. First came the rain that caused a two-hour delay in competition. Then came the wind, which was clocked at 2.51 meters per second for the race. The legal limit is 2.00.

"I don't believe it," Kingdom said. "Breaking the record twice in one season is great. This lets me know a 12.87 is possible now. If I didn't hit the hurdles, I would have been faster. With the way I felt in the race, a 12.7 is possible."

Meanwhile, in the men's 200 meters, Robson Caetano Da Silva of Cuba beat Floyd Heard of the United States by 0.36 of a second, 20.00 to 20.36. *(See Scoreboard.)*

On Saturday, Abdi Bile, the former George Mason University star from Somalia, defeated Sebastian Coe of Britain in a 1,500-meters race marked by controversy.

Bile passed Coe in the final turn, where Coe, believing Bile cut him off, reached out and grabbed Bile's shoulder. But Bile went on to win in 3 minutes, 35.56 seconds. Coe ran 3:35.79 for the silver medal, while Jens Peter Herold of East Germany won the bronze in 3:35.87.

Cornelia Oschkenat of East Germany won the women's 10-meter hurdles in 12.60 seconds and Lyudmila Narozhilenko of the Soviet Union was second in 12.80. Lynda Tolbert of the United States had a narrow victory over Odalis Adams of Cuba to gain the bronze.

Prost Scores Victory at Monza Track

The Associated Press

MONZA, Italy — Alain Prost of France won the Italian Formula-One Grand Prix race Sunday and boosted his chances of winning his third world title.

The Frenchman drove his McLaren-Honda to victory at the Monza Autodrome. Austria's Gerhard Berger was second in a Ferrari, and Belgium's Thierry Boutsen, in a Williams-Renault, finished third.

The fourth Grand Prix victory of the season gave Prost 71 points in the overall standings, 20 points ahead of teammate Ayrton Senna of Brazil. Senna withdrew eight laps from the end when his McLaren-Honda stopped after spinning from back to front, with smoke pouring from the engine.

Senna, who had won the pole position, was leading Prost by 21 seconds when he was forced to stop. Prost, fifth after the first lap, moved into second in the 41st lap and was quick to exploit Senna's withdrawal.

Prost completed the 53-lap race, covering 307 kilometers (191 miles), in 1 hour, 19 minutes, 27.55 seconds at an average speed of 232.119 kph (144 mph). Berger was 7.3 seconds behind.

Report Finds Graduation Eludes Many U.S. Athletes

By Irvin Molotsky
New York Times Service

WASHINGTON — At a third of American colleges and universities with major men's basketball programs, fewer than one in five players ever graduate, a federal study has found. The graduation rates for football players were only a little better.

The examination of National Collegiate Athletic Association statistics by the General Accounting Office, the auditing arm of Congress, is the most conclusive to date of the impact of athletic participation on academic progress.

The study was done at the request of Senator Edward M. Kennedy, a Massachusetts Democrat and one of the sponsors of a bill that would require colleges and universities to disclose the graduation rates of their student-athletes.

"There is no justification for any athlete to be abused by a college sports program and then left without an education," Kennedy said.

The football section of the study covered 103 schools in Division I-A. The basketball section covered 97 schools.

The report showed that 35 of the schools surveyed for basketball had graduation rates of 0 to 20 percent among players. Only four schools had such low rates for their student enrollment as a whole.

In football, 14 institutions had graduation rates of 0 to 20 percent among players, whereas only five of the same institutions had such low rates for the entire student body.

The graduation rate was based on completion of degree requirements within five years. The figures covered the period from September 1982 to September 1987.

The bill before Congress is generally identified with one of its other sponsors, Senator Bill Bradley, a New Jersey Democrat and former Princeton University basketball star who also played for the New York Knicks.

Proponents say the requirement for disclosure of graduation rates would provide guidance to high school athletes, their parents and coaches in selecting which college to attend.

The NCAA is the principal opponent of the bill. It has questioned the wisdom of a federal requirement for publishing graduation rates, partly because it might violate privacy laws.

Soccer Officials Rule Against Chile

The Associated Press

ZURICH — Brazil was given a berth in the 1990 World Cup Sunday when soccer's international authorities awarded it a victory in a qualifying match that Chile abandoned after a flare was thrown at its goalkeeper. Brazil becomes the fifth team to qualify.

The decision, ending a weeklong controversy, was announced after a top-level meeting of the World Cup organizing committee of FIFA, the international soccer federation.

Brazil was given a 2-0 victory because Chile had refused to continue the game last week, according to FIFA's vice president, Hermann Neuberger. The decision may not be appealed.

Chile had demanded that the game be replayed. Its delegation brought a videotape to the FIFA meeting that reportedly showed how its goalkeeper, Roberto Rojas, had been injured by the flare. The FIFA panel said it was "not competent" to decide the injury issue but only considered Chile's decision to stop play.

Brazilian officials charged the injury had been faked or self-inflicted.

SIDELINES

Another Violent Soccer Weekend

EINDHOVEN, Netherlands (AFP) — One man was in the hospital with stab wounds and 37 people were arrested late Saturday and early Sunday during rioting in the town center between rival football fans of the Ajax and PSV Eindhoven clubs.

- In Caen, France, two supporters of the Nantes soccer club were arrested on suspicion of setting fire to part of a stand at Caen's Malherbes stadium Saturday night. Several people were slightly injured in the fire. *(AFP)*
- In Split, Yugoslavia, three soccer fans were slightly injured, 58 detained and two local buses damaged during disorders Saturday before and after a first-league soccer game, press reports said Sunday. *(AP)*
- In Freetown, Sierra Leone, a police officer was crushed to death and seven soccer fans seriously injured during overcrowding Saturday at the Siaka Stevens national stadium. *(AFP)*

Murray Wins European Open Golf

WALTON HEATH, England (AFP) — England's Andrew Murray scored his first victory on the European golf tour here Sunday when he captured the European Open. A final round of 72 gave the 33-year-old, a professional since 1972, an 11-under-par total 277 and first prize of £58,000. New Zealander Frank Nobilo was second at 278.

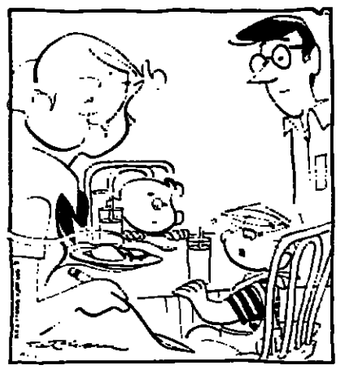
- In Inzai, Japan, Larry Nelson of the United States birdied the first hole of a sudden death playoff Sunday to win the $99,000 top prize in the Suntory Open Golf Tournament. Nelson and Saburo Fujiki finished the regulation four rounds at 276, 12 under par. *(AP)*

For the Record

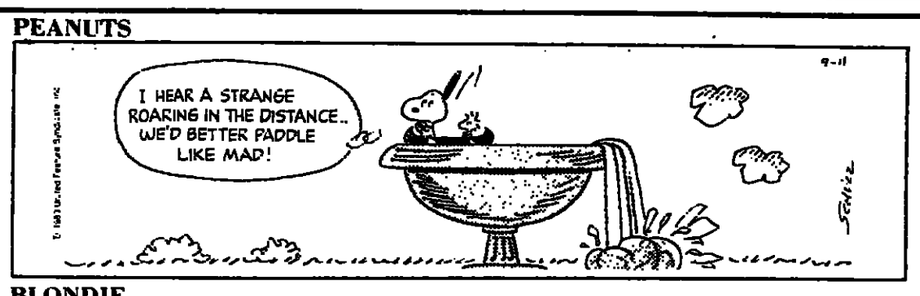
East German Thomas Lange confirmed his supremacy in the toughest event in rowing when he retained the men's single sculls title at the world championships in Bled, Yugoslavia, on Saturday. On Sunday, Kris Karlson of the United States, rowing with lightweight double sculls partner Cary Beth Sands, became the first rower to win two golds in lightweight events at a World Championships. She had already won the lightweight single sculls. *(Reuters, AP)*

Horse racing resumed Sunday in Macao after a 48-year break, and officials reported thousands of bettors from Hong Kong and Taiwan joined in wagering that totaled about $2.31 million. *(AP)*

DENNIS THE MENACE

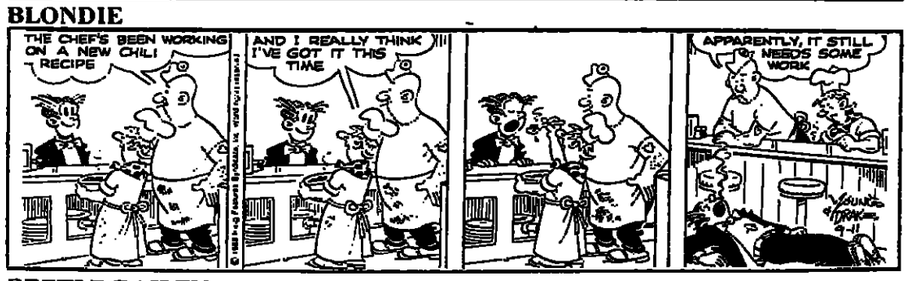


PEANUTS



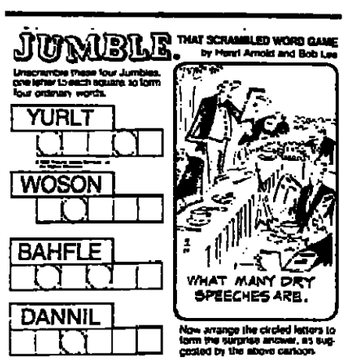
ANDY CAPP

BLONDIE

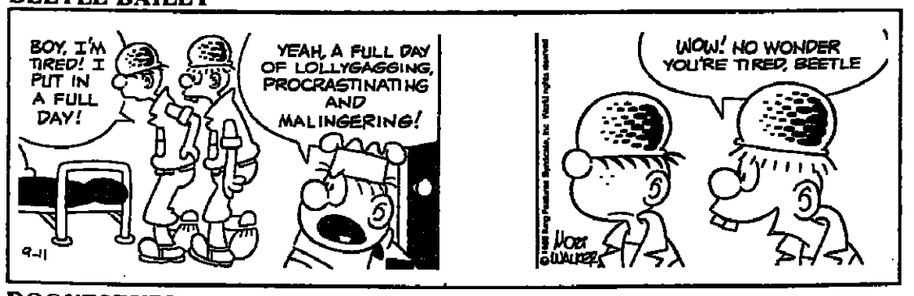


WIZARD of ID

JUMBLE

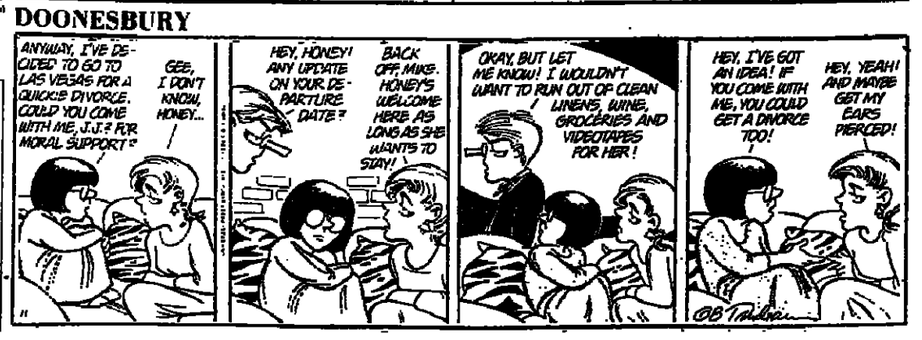


BEETLE BAILEY



REX MORGAN

DOONESBURY



GARFIELD

Seize the world.
The International Herald Tribune. Bringing the World's Most Important News to the World's Most Important Audience.

MONDAY SPORTS

Rookie Pitcher Leads Phils Past Montreal in NL East, 4-2

The Associated Press

Rookie Pat Combs struck out eight in seven innings for his first major-league victory as the Philadelphia Phillies defeated the Montreal Expos, 4-2, on Sunday in Montreal. Combs allowed one run and seven hits and walked one.

Roger McDowell pitched two innings for his 18th save. With the bases loaded and two outs in the ninth, he retired Marquis Grissom for the final out, Grissom's fourth strikeout of the game.

Pirates 4, Mets 1: In New York, John Smiley allowed four hits 8⅓ innings and Gary Redus' home run broke a seventh-inning tie as Pittsburgh stopped New York. Pittsburgh tied the game in the second when Jeff King doubled with two outs and scored on Jose Lind's single.

Reds 5, Braves 4: In Cincinnati, pinch-hitter Ken Griffey singled in Paul O'Neill with one out in the ninth to lead Cincinnati past Atlanta. Griffey's game-winning single off Dwayne Henry came after Reds reliever John Franco failed to hold a two-run lead in the top of the ninth. O'Neill and Joe Oliver singled off Henry before Griffey hit a line drive into short right field.

Saturday Games

Cubs 3, Cardinals 2: In Chicago, Luis Salazar, who singled home the tying run in the eighth inning, doubled home the winning run in the 10th to lift Chicago over St. Louis.

With one out in the 10th, Andre Dawson drew a walk off Ken Dayley and Salazar followed with his double into the right-field corner.

Trailing 2-1, the Cubs tied the game in the eighth with an unearned run. Dwight Smith led off with a single, the fifth off Jose DeLeon. Right fielder Tom Brunansky held the ball as if to dare Smith to try for second. Smith took the dare and was safe when Brunansky's throw went wide.

Frank DiPino relieved and struck out Mark Grace. Dan Quisenberry retired Dawson on a grounder, but Salazar followed with a single that scored the tying run.

Rick Sutcliffe blanked the Cardinals until the sixth, when Pedro Guerrero singled with one out and took second on a wild pitch as Terry Pendleton struck out. Brunansky singled to score Guerrero with the tying run, stole second and scored on Jose Oquendo's single.

Pirates 8, Mets 5: In New York, Bobby Bonilla hit his second home run of the game with one out in the 12th, and Dann Bilardello and Jose Lind singled home unearned runs to power Pittsburgh.

The Mets had rallied from a 5-1 deficit to tie the game with Howard Johnson's two-run home run in the eighth.

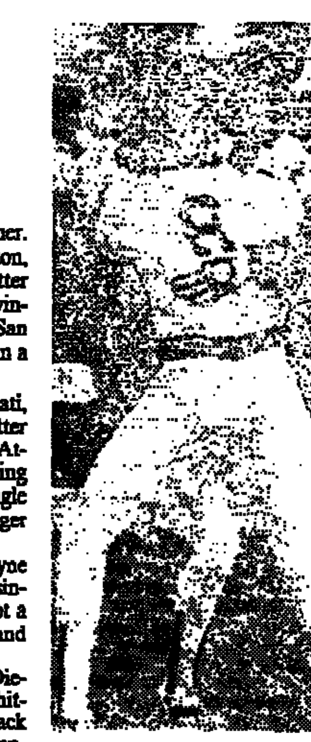
Expos 6, Phillies 5: In Montreal, Andres Galarraga doubled with two outs in the ninth and scored on Hubie Brooks's single to lift Montreal. The run made a winner of reliever Tim Burke, who blew a 5-2 lead in the top of the ninth when Dickie Thon hit a three-run homer.

Astros 4, Giants 1: In Houston, Mike Scott pitched a three-hitter and became the first 19-game winner in the NL as Houston beat San Francisco for the second night in a row.

Braves 2, Reds 1: In Cincinnati, Tom Glavine pitched a three-hitter over eight scoreless innings as Atlanta snapped a five-game losing streak. Glavine gave up a single and a double to Todd Benzinger and a single to Joe Oliver.

The Reds scored on Dwayne Henry's wild pitch and an RBI single by Luis Quinones. Henry got a save by striking out Benzinger and Oliver.

Padres 3, Dodgers 1: In San Diego, Ed Whitson pitched a five-hitter for eight-plus innings, and Jack Clark had two hits, including a run-scoring double, to give San Diego its 14th victory in 16 games.



A radiant Shawon Dunston hugs teammate Andre Dawson.

Blue Jays Overcome Indians in 10th

The Associated Press

Lee Mazzilli rolled an RBI single through the left side of the infield with one out in the 10th inning in an American League game Sunday as the Toronto Blue Jays defeated the Cleveland Indians, 5-4.

Tony Fernandez opened the Toronto 10th with a single off rookie Steve Olin, took second on a groundout and scored on Mazzilli's ground single. Since coming to the Blue Jays on July 31, Mazzilli is 3-for-5, with a homer and four RBIs as a pinch hitter.

Tigers 6, White Sox 5: In Detroit, Lou Whitaker's bases-loaded walk, the fourth walk of the inning off Chicago reliever Bobby Thigpen, forced home the last of three ninth-inning runs as Detroit nipped Chicago.

Twins 8, Royals 2: In Kansas city, Missouri, Minnesota dealt Kansas City's division title hopes another blow as Allen Anderson yielded just one run and eight hits in six innings.

Saturday Games

Blue Jays 7, Indians 5: In Cleveland, Fred McGriff hit a two-run single with two outs in the 16th inning to lift Toronto over Cleveland Indians, in the longest game of the year for both teams.

The Blue Jays blew three separate leads, all in the first eight innings, before nailing down their 10th victory in 12 games.

Orioles 4, Rangers 2: In Arlington, Texas, Randy Milligan hit reliever Jeff Russell's pitch in the 10th into the right-field stands and drove in Juan Bell. With two outs, pinch-hitter Mickey Tettleton had bounced a single to left off Drew Hall. Bell ran for Tettleton, scoring on Milligan's 11th home run.

Athletics 7, Yankees 0: In Oakland, New York had its nine-game winning streak snapped. The first score came with two outs in the sixth when Yankee left-fielder Mel Hall dropped a fly ball. Jose Canseco homered on the next pitch.

White Sox 13, Tigers 3: In Detroit, right fielder Scott Lusader tied a major-league record by committing three errors in Chicago's seven-run first. Lusader committed two fielding errors and one throwing error, the eighth major-league outfielder to commit three errors in an inning and the first in the AL since 1925.

Royals 3, Twins 1: In Kansas City, Bret Saberhagen gave up three hits in eight innings to become the league's second 18-game winner, and Bo Jackson had three RBIs for Kansas City.

Brewers 7, Mariners 3: Paul Molitor went 5-for-5 and George Canale's run-scoring single broke a fourth-inning tie. With the Mariners leading 3-2 after three, the Brewers tied the score with a two-out single by B.J. Surhoff and a double by Greg Vaughn. Canale followed with a single.

Angels 8, Red Sox 5: In Anaheim, California, Mark McLemore's single snapped a 5-5 tie in the eighth. With two outs, the Angels had loaded the bases on a single by Devon White, and intentional walk to Chili Davis and an infield single by Wally Joyner.

■ Dent to Remain Manager

The New York Yankees have announced that Bucky Dent will manage the team next year, The Associated Press reported from Oakland.

Lendl and Becker Muscle to Final

By Sally Jenkins
Washington Post Service

NEW YORK — There are the mature artisans of men's tennis, such as Ivan Lendl and Boris Becker, and then there are the apprentices.

The difference was instantly apparent on Saturday at the U.S. Open, when Lendl overwhelmed

U.S. OPEN

Andre Agassi and Becker defeated Aaron Krickstein in semifinal matches.

Lendl advanced to his eighth consecutive Open final by beating Agassi, 7-6 (7-4), 6-1, 3-6, 6-1. And Becker won every point of import over Krickstein, 6-4, 6-3, 6-4.

Their victories set up a final that can only be described as muscular between the No. 1 and 2 players in the world at the National Tennis Center on Sunday.

Lendl has gained his eighth straight Open final. Becker, the reigning and three-time Wimbledon champion, enters the final with three consecutive victories over Lendl, who holds a 7-6 edge in their series.

It seems not all that long ago that Krickstein, at 16, became the youngest player ever to win a match at the Open. But in the years since he has been subject to nagging injuries. This was his most successful season in some time, and he ranks No. 15 in the world.

Last year, Agassi rose from nowhere to No. 3 in the world and made the semifinals at the Open, but this season he has dropped to No. 6.

Each match turned on the first set and the inability of the less experienced players to capitalize on early leads after gaining service breaks. Agassi led by 4-1 and 5-2, and served for the set at 5-3. But Lendl's weighty strokes continually overcame him.

"Once you give him an opportunity, he doesn't take too long to take advantage of it," Agassi said.

It slipped away in the tiebreaker. Lendl took a 5-3 lead with a forehand to the diagonal corner, slapped a forehand deep, but then delivered a ball-deadening ace for set point. When he drove yet another unmanageable topspin stroke on the baseline, Agassi sailed it long.

Lendl cemented that comeback with the punishing second set, a demoralizing affair in which Agassi frequently could not take a point in a game and began overhitting. He won just two points in the first three games before he finally got a game after killing a break point to trail, 1-3. But Lendl broke him at love in the seventh for the set.

Only a loose third set by Lendl let Agassi extend the match. In the eighth game, with an audacious forehand drop shot, Agassi gained double break point and pumped his fist. Lendl flung a forehand wide to deliver the game, and Agassi held for the set helped by two aces.

Lendl broke him in the second and fourth games of the fourth set, each time on Agassi double faults, for a 5-1 lead. The victory made him 6-0 over Agassi.

In the other semifinal, Krickstein could never press Becker despite breaking his normally bludgeoning serve twice in the first set. Becker sometimes boomed his serve and sometimes sailed it wildly. He aced Krickstein cleanly nine times and struck 11 more unreturnables, but ultimately made just 46 percent.

But if Becker was inconsistent, Krickstein was inefficient: He gained 13 break points but converted just three. Krickstein could not break at all in the third set.

The first set teetered back and forth. Krickstein broke Becker in the fifth game with a high, heavy forehand winner to the opposite corner. But in the next game Becker replied with a flat low forehand winner to create a break back point, and Krickstein laid an approach forehand into the net.

Krickstein killed two set points as Becker served at 5-3, on a spinning offensive lob and a backhand winner down the line, and went on to take the game. But Becker got the last and best of the service break exchanges when he thrust three crushing winners in the 10th and last game.

A smacked forehand volley, then a diving backhand drop volley that just slipped over and stopped dead, made it double set point. Krickstein came in behind his serve and picked off a crisp forehand volley to open court, but Becker lumbered from one end of the baseline to the other to unfurl a gorgeous, extended forehand pass down the line.

Jerry Soloway/Reuters-UPI

Martina Navratilova's singles loss hurt, but on Sunday she came back to win the women's doubles championship with Hana Mandlikova, 5-7, 6-4, 6-4, over Pam Shriver and Mary Jo Fernandez.

VANTAGE POINT/Tony Kornheiser

Navratilova Clings as Graf Rolls On

Washington Post Service

NEW YORK — If not here, where? If not now, when? Martina Navratilova says it's "just a matter of a couple of points," and she'll "keep trying."

But she can promise to chase Steffi Graf from here to the horizon, and she'll never have a better chance to pass her than she had Saturday afternoon in the women's final of the U.S. Open.

Navratilova had Graf down one set, 6-3, and down a break in the second. She had Graf tired from her three-setter with Gabriela Sabatini the day before. She had her wildly spraying her demonic forehand, she had the heat turned up, and she had the crowd on her side.

Navratilova had Graf all but tied to the tree with an apple on her head. And she couldn't shoot the arrow.

Graf broke free in the second set at 4-4, as Navratilova inexcusably served two double faults, and snatched another break to win it, 7-5.

Graf then steamed through the third set. "Like a runaway train," according to Navratilova. Graf won 11 of the last 13 games, and in the last view we had of Navratilova — after a second-serve ace spun embarrassingly by — she was furiously slamming her racket into the Deco Turf II.

This is the third time in the last 14 months that Navratilova has faced Graf in a Grand Slam final: Wimbledon in 1988, Wimbledon 1989 and here. Each time went three sets. Each time Graf won. Each time Graf cuffed Navratilova, 6-1, in the third. You don't have to be a statistician to see a pattern.

"I know how to beat her," Navratilova said. "I just wasn't able to do it."

But what can she do to boost her chances between now and the 1990 Wimbledon — the next Grand Slam final they figure to play, since she will skip the Australian and remains dubious about the French? Can she get younger? Can she get faster? Can she get mentally tougher so any reversal of momentum doesn't compel her to unravel?

It is ironic that now, after so many years of unrivaled but unloved dominance, Navratilova has become a sympathetic figure as she flails in the shadow of Graf.

The crowd was sincerely and spontaneously on her side, and the affection she felt, however overdue, warmed her almost to tears. Surely it has something to do with her being the underdog, and something to do with her excellence over the long haul.

But mostly, she suspects, it has to do with her mutually admiring relationship with the beloved Chris Evert.

"I think the fans now have just me left, basically," Navratilova said. "I get a lot of fan mail with people saying, 'I hope you or Chris win — one of you.' It almost didn't matter who. We've played long enough to really win over people's hearts. Now Chris is gone, so I think Chris's fans will now be on my side."

Perhaps it is Evert's absence that accounts for Navratilova's implied displeasure with the solitary Graf. Navratilova is an open book; if her heart wasn't already on her sleeve, she'd carry it on a sign above her head.

She doesn't understand why Graf isn't more openly emotional. It annoys Navratilova that Graf isn't friendlier and more conversational. She is so buddy-buddy with Chris, it seems she'd like to recreate that ambiance with Graf, her new rival.

What Navratilova may not have taken into account is that Graf is 12 years younger — and that may make all the difference in the world.

They are rivals, but while they produce fierce matches, they do not produce classic matches.

Their styles are too similar: both slug, neither throws a slow curve. Classic rivalries, like Navratilova and Evert, are forged by the attractiveness of stylistic contrast. The more Graf dominates Navratilova, the louder people will yell for a new challenger. Gabriela Sabatini, 19. Arantxa Sanchez Vicario, 17. Monica Seles, 15. They'll have their shots.

But if you were looking for the future of women's tennis, you might have dallied a while at the Grandstand Court on Saturday to see a sturdy 13-year-old named Jennifer Capriati demolish the top seed in the 18-and-under draw, 6-1, 6-1, in 49 minutes.

There's something eerily familiar about Capriati. Maybe it's the two-fisted backhand, or the demure little grunt on the serve. Maybe it's the ponytail, or the South Florida address. Maybe it's the fact that her first teacher was dad Jimmy Evert, and her manager is son John Evert, and she looks a little like daughter Jeannie Evert.

Maybe it's that she's got the instincts of an assassin.

Last year, Capriati was the U.S. girls 18-and-under hard-court and clay-court champion at the preposterous age of 12. Next March, the month she's 14, she'll announce herself on the women's tour, and most everybody thinks she can't miss.

"She's what the '90s will be about," said Neil Amdur, editor of World Tennis magazine. "She has clean strokes, an all-court game, and the temperament of a champion."

If Steffi Graf puts her ear to the ground and listens for the footsteps, she can hear Jennifer Capriati coming.

Eurobaseball Scores Something Like a Hit

Whoever wants to know the heart and mind of America had better learn baseball.
— Jacques Barzun, "God's Country and Mine"

By John McMurtrie
International Herald Tribune

PARIS — If those words, written in 1954, still hold true today, then Europeans are only beginning to understand their closest ally.

The European Baseball Championships, which ended here Sunday with a first-place victory for Italy, are the highest level of baseball the continent has to offer. While the Italians and second-placed Dutch national teams could conceivably match up against the world's best amateur rivals, the remaining six teams that took part in the 10-day event would have problems if confronted with American high school players worth their salt.

But Europeans are learning about baseball, and though the process may be a slow one, many display a great willingness to follow in the footsteps of their American forerunners.

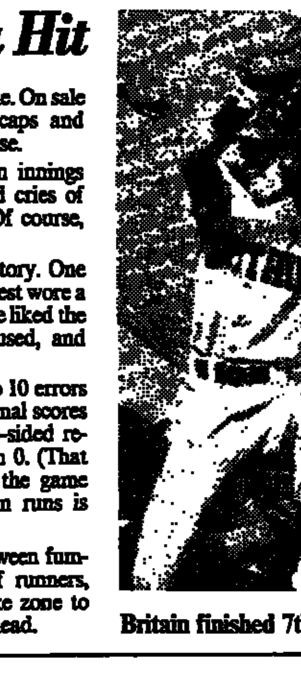
Down to the overpriced hot dogs and beer, the atmosphere was that of an American game. On sale were the obligatory T-shirts, jerseys, caps and equipment and even a poster of Pete Rose.

American rock music blared between innings and "high five" salutes abounded amid cries of "Come on, baby!" in heavy cockney. Of course, there was chewing tabacco.

Beneath the surface was a different story. One French fan who watched with great interest wore a New York Yankess cap. When asked if he liked the Yankees, he seemed puzzled, then paused, and responded, "Yankees?"

And then there was the playing. Six to 10 errors a game were not uncommon; nor were final scores like 24-4, 15-3, or one of the more lop-sided results: the Netherlands 35, Great Britain 0. (That includes a slaughter rule, which ends the game after seven innings if the difference in runs is greater than 10).

Players need not have felt alone. Between fumbling balls and getting in the way of runners, umpires on occasion enlarged the strike zone to include regions parallel to the batter's head.



AFP

Britain finished 7th out of 8.

SCOREBOARD

BASEBALL

Major League Standings

(Through Saturday)

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
ronto	79	64	.552	—
ltimore	78	66	.542	1½
lwaukee	72	72	.500	7½
ston	70	72	.493	8½
w York	67	77	.465	12½
eveland	65	77	.458	13½
troit	54	90	.375	25½

West Division

	W	L	Pct.	GB
kland	86	56	.606	—
nsas City	82	59	.582	3½
lifornia	81	61	.570	5
xas	72	69	.511	13½
nnesota	70	71	.496	15½
attle	61	80	.433	24½
icago	59	82	.418	26½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
cago	79	63	.556	—
Louis	77	64	.546	1½
ntreal	76	66	.535	3
w York	75	66	.532	3½
tsburgh	62	79	.440	16½
ladelphia	57	84	.404	21½

West Division

	W	L	Pct.	GB
Francisco	81	61	.570	—
uston	76	66	.535	5
Diego	76	66	.535	5
cinnati	69	73	.486	12
Angeles	66	76	.465	15
anta	56	86	.394	25

Friday's Results

AMERICAN LEAGUE

onto 000 030 010—4 6 0
veland 300 001 01x—5 10 0
lanagan, Acker (6), Wells (8) and Whitt; nols. Orosco (7), D.Jones (8) and Skinner, nson (7). W—D.Jones, 7-8. L—Acker, 0-1. —Toronto, Liriano, (5), G.Bell (17).
nesota 000 000 000—0 6 2
sas City 001 111 20x—6 10 0
Smith, Guthrie (7) and Harper; Gubicza, wford (8), Montgomery (9) and Boone. Gubicza, 15-10. L—R.Smith, 10-6. HRs—sas City, Tartabull (16), B.Jackson (31).
cago 010 010 120—5 10 2
roit 000 203 20x—7 13 0
bbard, McCarthy (6), Pall (6), Patterson B.Jones (8) and Fisk; J.Morris, Henneman (9) and Heath. W— J.Morris, 5-11. L—ard, 4-7. Sv—Henneman (7). HRs—Chicago, C.Martinez, (5), Guillen (1), Boston (5).
timore 000 001 000—1 7 1
as 200 000 01x—3 8 0
Johnson, Hickey (7), McDonald (7) and k; Brown, Mielke (7), Rogers (8), Russell and Kreuter, Petralli (9). W—Brown, 12-7. Johnson, 4-4. Sv— Russell (34). HRs—s, Sierra (26), Incaviglia (17).
on 000 001 000—1 7 1
fornia 101 000 00x—2 4 1
ddicker and Gedman; Blyleven, Minton Harvey (8) and Orton. W—Blyleven, 15-4. Boddicker, 12-10. Sv—Harvey (20). HR—fornia, Washington (12).
waukee 100 112 200—7 11 0
ttle 002 001 000—3 12 0
varro, Fossas (6), Crim (8) and Surhoff; rras, Swift (5), Comstock (7), Je.Reed (9) and Vallle. W—Navarro, 5-7. L—Zavaras, 1-5. HRs—Seattle, Briley (12), Leonard (23).
New York 012 200 000—5 10 0
Oakland 000 010 000—1 5 1
Hawkins, Mohorcic (5) and Slaught; Stewart and Steinbach. W—Mohorcic, 2-1. L—Stewart, 19-9. HR—New York, M.Hall (14).

NATIONAL LEAGUE

St. Louis 010 010 450—11 14 1
Chicago 112 200 100—8 14 1
Magrane, Costello (4), Carpenter (7), Quisenberry (8) and Pena, Zeile (7); Kilgus, Lancaster (7), Assenmacher (7), Williams (8), Pico (9) and Girardi, Wrona (9). W—Carpenter, 3-4. L—Williams, 4-4. Sv—Quisenberry (6). HRs—St. Louis, Coleman (2), Guerrero (14), Pendleton (13). Chicago, Sandberg 2 (29).
Pittsburgh 100 100 000—2 7 0
New York 030 040 00x—7 10 0
Drabek, Patterson (5), Belinda (7), Taylor (8) and Bilardello; Ojeda and Lyons. W—Ojeda, 11-10. L—Drabek, 12-11. HR—Pittsburgh, VanSlyke (9).
Atlanta 000 001 000—1 5 0
Cincinnati 102 001 10x—5 13 0
P.Smith, Eichhorn (3), Castillo (6), Aldrich (6), Valdez (7) and Mann; Scudder, Dibble (6), Charlton (8) and Oliver. W—Scudder, 4-6. L—P.Smith, 5-14.
Philadelphia 000 030 100—4 8 1
Montreal 000 100 020—3 7 1
Grimsley, Cook (6), Parrett (8), R.McDowell (8) and Daulton; K.Gross, Candelaria (7), Rl.Thompson (7), Z.Smith (9) and Santovenia, Fitzgerald (9). W—Grimsley, 1-0. L—K.Gross, 11-10. Sv— R.McDowell (17). HRs—Philadelphia, C.Hayes (8). Montreal, Galarraga (21).
San Francisco 000 000 300—3 7 0
Houston 003 010 10x—5 7 0
D.Robinson, Brantley (6), Lefferts (7), Camacho (8) and Kennedy, Brealy (7); Portugal, Darwin (7) and Biggio. W—Portugal, 4-1. L—D.Robinson, 12-10. Sv—Darwin (5). HRs—Houston, Lombardozzi (1), Ramirez (6), Portugal (1).
Los Angeles 000 000 000—0 2 1
San Diego 000 000 10x—1 7 1
Hershiser, Morgan (8) and Scioscia; Benes, Ma.Davis (8) and Santiago. W— Benes, 4-2. L—Hershiser, 14-12. Sv— Ma.Davis (38).

Saturday's Results

AMERICAN LEAGUE

New York 000 000 000—0 4 1
Oakland 000 003 13x—7 9 0
C.Parker, J.Jones (8), Mmahat (8) and Geren; Moore and Steinbach. W—Moore, 17-9. L—C.Parker, 4-5. HRs—Oakland, Canseco (13), D.Henderson (11), R.Henderson (11).
Chicago 701 000 050—13 15 0
Detroit 001 000 200—3 9 4
Perez, Long (7), Hillegas (8), Thigpen (9) and Karkovice; J.Robinson, Nunez (1), Holman (4), Williams (7), Searcy (9) and Heath, Datz (8). W—Perez, 9-13. L—J.Robinson, 4-5. HRs—Chicago, Lyons (2). Detroit, Whitaker (28).
Minnesota 000 100 000—1 4 0
Kansas City 201 000 00x—3 8 0
Aguilera and Harper; Saberhagen, Montgomery (9) and Boone. W—Saberhagen, 18-6. L—Aguilera, 1-4. Sv—Montgomery (17).
Milwaukee 011 200 120—7 16 0
Seattle 012 000 000—3 9 3
Reuss, Crim (6), Fossas (8) and Surhoff; Hanson, Jackson (7), Powell (8), Reed (9) and Valle. W—Reuss, 9-7. L— Hanson, 6-5. HRs—Seattle, Presley (12), Davis (18).
Toronto 200 101 100 000 000 2—7 11 0
Cleveland 002 002 010 000 000 0—5 11 2
Key, Ward (7), Henke (9), Wills (13) and Borders, Whitt (13); Swindell, Yett (5), Orosco (7), Olin (7), Jones (10), Kaiser (14), Wonia (16) and Allanson, Skinner (8), Magronn (10). W—Wills, 2-1. L— Kaiser, 0-1. HRs—Toronto, Mazzilli (4). Cleveland, Carter 2 (31), Jacoby (12).
Boston 100 202 000—5 10 1
California 000 023 02x—8 9 0
Boyd, Price (6), Harris (7), Murphy (8) and Cerone, Gedman (6); Abbott, Monteleone (6), McClure (6), Fraser (7), Harvey (9) and Orton. W—Fraser, 4-6. L— Murphy, 4-7. Sv—Harvey (21). HR—California, Howell (19).
Baltimore 000 001 100 2—4 9 0
Texas 000 020 000 0—2 5 2
Milacki, Hickey (8), Williamson (8), Olson (9) and Melvin, Quirk (8); Jeffcoat, Guante (7), Rogers (7), Mielke (7), Hall (9), Russell (10) and Petralli, Kreuter (7), Sunberg (9). W—Olson, 4-2. L—Hall, 1-1. HR—Baltimore, Milligan (11). Texas, Buechele (16).

NATIONAL LEAGUE

Atlanta 000 100 001—2 6 0
Cincinnati 000 000 001—1 4 0
Glavine, Henry (9) and J.Davis; Leary, Franco (9) and Oliver. W—Glavine, 13-8. L—Leary, 8-13. Sv—Henry (1).
Pittsburgh 021 200 000 003—8 15 3
New York 001 200 020 000—5 9 2
J.Robinson, Kipper (6), Landrum (8), Bair (10), Taylor (11), Patterson (12) and LaValliere, Bilardello (10); Cone, Musselman (5), Aase (7), Myers (9), Innis (11) and Lyons, Sasser (5), Lombardi (9). W—Taylor, 1-1. L—Innis, 0-1. Sv—Patterson (1). HRs—Pittsburgh, Bonilla 2 (22), J.Robinson (1). New York, H.Johnson (34).
St. Louis 000 002 000 0—2 8 1
Chicago 100 000 010 1—3 7 0
DeLeon, DiPino (8), Quisenberry (8), Dayley (8) and Pena; Sutcliffe, Lancaster (8), S.Wilson (8), Pico (8), Assenmacher (10) and Girardi, Wrona (7). W—Assenmacher, 3-3. L—Dayley, 3-2.
Philadelphia 000 010 013—5 8 1
Montreal 020 020 101—6 15 0
Mulholland, O'Neal (5), Carman (6), Frohwirth (7), McElroy (8), Parrett (9) and Daulton, Pardo (8); De.Martinez, Z.Smith (7), Burke (9) and Fitzgerald. W—Burke, 8-2. L—Parrett, 12-5. HR— Philadelphia, Murphy (9), Thon (12).
San Francisco 000 000 001—1 3 1
Houston 210 000 01x—4 6 0
Downs, LaCoss (5), Brantley (8) and Kennedy; Scott and Biggio. W—Scott, 19-8. L—Downs, 3-6.
Los Angeles 010 000 000—1 5 0
San Diego 100 020 00x—3 8 1
Wetteland, Pena (8) and Scioscia; Whitson, Davis (9) and Santiago, Parent (9). W—Whitson, 16-10. L—Wetteland, 4-7. Sv— Davis (39).

FOOTBALL

CFL Standings

Eastern Division

	W	L	T	PF	PA	Pts
Hamilton	6	3	0	243	261	12
Winnipeg	5	4	0	232	214	10
Toronto	4	6	0	179	211	8
Ottawa	0	9	0	207	335	0

Western Division

	W	L	T	PF	PA	Pts
Edmonton	9	1	0	336	152	18
Calgary	5	5	0	266	277	10
Saskatchewan	5	5	0	311	329	10
B. Columbia	4	5	0	270	265	8

Friday's Result
Edmonton 38, Calgary 27

Saturday's Result
Saskatchewan 29, Toronto 24

Selected College Scores

EAST
Connecticut 27, Cent. Connecticut St. 9
Delaware 28, Boston U. 21
Holy Cross 38, Villanova 17
Howard U. 6, Grambling St. 0
James Madison 28, Massachusetts 28
Lafayette 44, Kutztown 14
Lehigh 42, Fordham 7
Maine 24, New Hampshire 7
Northeastern 20, Towson St. 17
Pittsburgh 29, Boston College 10
Rutgers 31, Ball St. 31
Syracuse 43, Temple 3
Virginia 14, Penn St. 6

SOUTH
Appalachian St. 15, Wake Forest 10
Arkansas St. 17, Memphis St. 13
Auburn 55, Pacific U. 0
Citadel 42, Wofford 21
Clemson 34, Florida St. 23
Duke 41, Northwestern 31
East Carolina 41, Bowling Green 6
Kentucky 17, Indiana 14
Mississippi 24, Florida 19
Mississippi St. 26, S. Mississippi 23
N. Carolina St. 38, Georgia Tech 28
North Carolina 49, VMI 7
Rhode Island 45, Richmond 14
South Carolina 17, Virginia Tech 17
West Virginia 14, Maryland 10
William & Mary 17, Colgate 13

MIDWEST
Akron 40, Kent St. 7
Iowa St. 28, Ohio U. 3
Louisville 32, Kansas 28
Miami, Fla. 51, Wisconsin 3
Missouri 14, Texas Christian 10
Nebraska 48, N. Illinois 17
Purdue 27, Miami, Ohio 10
W. Michigan 24, Louisiana Tech 20

SOUTHWEST
Lamar 21, Texas-El Paso 19
Oklahoma 33, Baylor 7
Texas Tech 24, Arizona 14
Tulane 28, Rice 19
Tulsa 20, Oklahoma St. 10

FAR WEST
Arizona St. 31, Kansas St. 0
Colorado 45, Colorado St. 20
Fresno St. 52, Montana 37
Fullerton St. 27, Northridge St. 20
Hawaii 63, Long Beach St. 10
Nev.-Las Vegas 16, Weber St. 12
New Mexico 45, New Mexico St. 13
Oregon 35, California 19
Oregon St. 20, Stanford 16
Portland St. 29, Idaho 20
Tennessee 24, UCLA 6
Utah 45, Utah St. 10
Washington 19, Texas A&M 6

TRACK & FIELD

World Cup

World Track and Field Cup competition in Barcelona:

Saturday Results

Men

400—1, Roberto Hernandez, Americas, 44.58 seconds. 2, Jens Carlowitz, East Germany, 44.86. 3, Gabriel Tiacoh, Africa, 44.97.

1,500—1, Abdi Bile, Africa, 3 minutes, 35.56 seconds. 2, Sebastian Coe, Britain, 3:35.79. 3, Jens Peter Herold, East Germany, 3:35.87.

3,000 steeplechase—1, Julius Kariuki, Africa, 8:20.84. 2, Alessandro Lambruschini, Europe, 8:21.75. 3, Hagen Melzer, East Germany, 8:23.21.

400 relay—1, U.S. (Andye Cason, Tony Dees, Doron Council, Slip Watkins), 38.29. 2, Britain, 38.34. 3, Europe, 38.47.

Pole Vault—1, Philippe Collet, Europe, 18 feet, 10¼ inches. 2, Tim Bright, U.S., 18-8¼. 3, Uwe Langhammer, East Germany, 18-2½.

Triple Jump—1, Mike Conley, U.S., 57-4¾. 2, Vladimir Inozemtsev, Soviet Union, 56-9½. 3, Jonathon Edwards, Britain, 56-8½.

Discus—1, Juergen Schult, East Germany, 220-2. 2, Luis Delis, Americas, 218-11. 3, Rolf Danneberg, Europe, 214-3.

Hammerthrow—1, Heinz Weis, Europe, 254-10. 2, Lance Deal, U.S., 250-7. 3, Ralf Haber, East Germany, 250-3.

Women

100—1, Sheila Echols, U.S., 11.18. 2, Mary Onyali, Africa, 11.23. 3, Silke Moller, East Germany, 11.24.

100 hurdles—1, Cornelia Oschkenat, East Germany, 12.60. 2, Ludmila Narozhilenko, Soviet Union, 12.80. 3, Lynda Tolbert, U.S., 12.86.

800—1, Ana Quirot, Americas, 1:54.44. 2, Sigrun Wodars, East Germany, 1:55.70. 3, Doina Melinte, Europe, 1:56.55.

10,000—1, Kathrin Ullrich, East Germany, 31:33.92. 2, Ingrid Kristiansen, Europe, 31:42.01. 3, Natalya Sorokivskaya, Soviet Union, 32:15.53.

High Jump—1, Silvia Costa, Cuba, 6-8¼. 2, Tamara Bikova, Soviet Union, 6-5½. 3, Galina Astafei, Europe, 6-4¼.

Shotput—1, Zhihong Huang, Asia, 68-¼. 2, Heike Hartwig, East Germany, 67-8. 3, Claudia Losch, Europe, 65-11½.

Sunday Results

Men

110 Hurdles: 1, Roger Kingdom, US, 12.87 seconds (wind aided). 2, Colin Jackson, Britain, 12.95. 3, Emilio Valle, Americas, 13.21.

200: 1, Robson Da Silva, Americas, 20.00 seconds. 2, Floyd Heard, US, 20.36. 3, Olapade Adeniken, Africa, 20.38.

High Jump: 1, Patrik Sjoberg, Europe, 2.34 meters. 2, Dalton Grant, Britain, 2.31. 3, Javier Sotomayor, Americas, 2.25.

5,000: 1, Said Aouita, Africa, 13:23.14 minutes. 2, John Doherty, Europe, 13:25.39. 3, Jose Carreira, Spain, 13:25.94.

Javelin: 1, Steve Backley, Britain, 85.90 meters. 2, Kazuhiro Mizoguchi, Asia, 82.56. 3, Volker Hadwich, East Germany, 80.30.

4x400 Relay: 1, Americas (Lazaro Martinez, Howard Burnett, Sergio Menezes, Raul Hernandez) 3:00.65 minutes. 2, United States, 3:00.99. 3, Africa, 3:01.80.

Women

400: 1, Ana Quirot, Americas, 50.60. 2, Grit Breuer, East Germany, 50.67. 3, Falilat Ogunkoya, Africa, 51.67.

Discus: 1, Ilke Wyludda, East Germany, 71.54. 2, Xuemei Bau, Asia, 66.04. 3, Maritza Marten, Americas, 65.40.

3,000: 1, Yvonne Murray, Europe, 8:44.32 minutes. 2, Tatiana Pozdnyakova, Soviet Union, 8:49.42. 3, Pattisue Plumer, US, 8:54.33.

4x100 Relay: 1, East Germany (Sabine Gunther, Kerin Behrend, Manuela Derr, Silke Moller), 42.21 seconds. 2, Soviet Union, 42.76. 3, United States, 42.83.

Long Jump: 1, Galina Chistiakova, Soviet Union, 7.10 meters. 2, Marieta Ilcu, Europe, 6.71. 3, Nicole Boegman, Oceania, 6.64.

Final Team Standings

Men: 1, United States 125 points. 2, Europe, 123. 3, Britain 119. 4, East Germany, 111.5. 5, Africa, 100. 6, Americas, 97. 7, Asia, 68.5. 8, Oceania, 64.5. 9, Spain, 64.5.

Women: 1, East Germany, 124 points. 2, Soviet Union, 106. 3, Americas, 94. 4, Europe, 89.5. 5, United States, 84.5. 6, Asia, 67.5. 7, Africa 58. 8, Spain 48. 9, Oceania 40.

SOCCER

ENGLISH FIRST DIVISION
Arsenal 5, Sheffield Wednesday 0
Aston Villa 2, Tottenham 0
Chelsea 2, Nottingham Forest 2
Crystal Palace 2, Wimbledon 0
Derby 0, Liverpool 3
Everton 3, Manchester United 2
Luton 1, Charlton 0
Manchester City 1, Queens Park Rangers 0
Millwall 4, Coventry 1
Norwich 4, Southampton 4

WEST GERMAN FIRST DIVISION
Hamburger SV 0, Bayer Leverkusen 1
FC Cologne 4, Werder Bremen 2
Karlsruher SC 2, Borussia Dortmund 1
FC Homburg 0, FC Nuremberg 1
VfB Stuttgart 1, Bayer Uerdingen 0
VfL Bochum 2, FC Kaiserslautern 0
Eintracht Frankfurt 1, Bayern Munich 2
SV Waldhof Mannheim 0, FC St. Pauli 1

FRENCH FIRST DIVISION
Saint Etienne 1, Lyon 0
Caen 2, Nantes 0
Brest 2, Cannes 0
Metz 0, Nice 0
Montpellier 1, Toulouse 0
RP1 2, Paris St.Germain 2
Sochaux 0, Mulhouse 0
Lille 2, Auxerre 1
Toulon 0, Bordeaux 2
Points: Bordeaux 15; Paris St.Germain 13; Marseille 12; Toulon 11; Nantes, Sochaux, Toulouse 10; Montpellier, Monaco, Saint Etienne 9; Auxerre, Nice, RP1 8, Mulhouse, Lille, Lyon, Caen 7; Metz, Cannes, Brest 6.

SPANISH FIRST DIVISION
Castellon 0, Real Madrid 0
Atletico Madrid 1, Cadiz 0
Barcelona 4, Osasuna 0

DUTCH FIRST DIVISION
MVV Maastricht 3, FC Den Haag 0
Fortuna Sittard 2, BVV Den Bosch 0
FC Twente 2, Sparta 0
PSV Eindhoven 2, Ajax 0
Feyenoord 3, FC Groningen 3
FC Utrecht 2, Willem II 1
Volendam 2, Roda JC 0
RKC Waalwijk 3, NEC Nijmegen 1
Vitesse 4, Haarlem 0

ITALIAN FIRST DIVISION
Bologna 3, Bari 1
Cremonese 0, Genoa 1
Fiorentina 1, Lazio of Rome 0
Juventus of Turin 3, Ascoli 1
Lecce 2, Cesena 1
Milan 3, Udinese 1
Roma 4, Atalanta of Bergamo 1
Sampdoria of Genoa 2, Internazionale of Milan 0
Verona 1, Napoli 2
Points: Juventus 7; Napoli 7; AC Milan 6; AS Roma 6; Inter Milan 5; Sampdoria 5; Bologna 5; Genoa 5; Fiorentina 4; Lecce 4; Bari 4; Cesena 3; Ascoli 3; Lazio of Rome 3; Atalanta of Bergamo 2; Udinese 2; Cremonese 1; Verona 0.

Kiki, Queen of Mythical Montparnasse

International Herald Tribune

PARIS — Between the wars, the nickname Kiki was common. There were the painters Kiki (Kees) van Dongen and Kiki (Moïse) Kisling but there was only one Kiki de Montparnasse, born Alice Prin in 1901: artists' model, singer of off-color songs, goodtime girl and celebrated simply for being herself. She encapsulated an era and died in the quarter in 1953, worn out by drugs, drink and pleasure, never having bartered a moment's freedom by giving the future a thought.

"But I don't give a damn," she told a friend in her youth who had told her to put money aside. "All I need is an onion, a bit of bread and a bottle of red wine, and I will always find someone to give me that."

MARY BLUME

"She collapsed in a street near where she lived, at 1 Rue Bréa. She was extraordinarily generous to the last moment and used to go to the hospital to bring candies to the patients," said Billy Klüver who, with Julie Martin, has written a history of Montparnasse called "Kiki's Paris," published by Abrams in the United States and to be launched in France later this month by Flammarion with a party at the Coupole.

"Kiki dominated her era more than Queen Victoria ever dominated the Victorian era," Ernest Hemingway wrote in his preface to Kiki's 1929 memoirs, which he called the best book he had read since e.e. cummings's "The Enormous Room."

"It is written by a woman who, as far as I know, never had a Room of Her Own," Hemingway said. "If you ever tire of books written by present-day lady writers of all sexes, you have here a book written by a woman who was never a lady at any time. For about 10 years she was about as close as people get nowadays to being a Queen but that, of course, is very different from being a lady."

Hemingway wrote in the past tense because in 1929 he considered the Montparnasse era over. Klüver gives it another year, by which time the local magazine, Paris-Montparnasse, had folded and the Depression was cramping the fun. "With the crash, everybody had to go to work and the days when they could sit for days, or years, in a café and do nothing were over," Klüver said in Paris.

He puts Montparnasse's beginnings earlier than most. In the early 19th century, artists, mostly academic painters and sculptors and their students, began to settle there. By the 1860s, he says, of the 6,000 artists who lived in Paris, an estimated 1,500 were in Montparnasse and the largest foreign group was American.

By the 1920s something new had happened. Montparnasse had become more than a quarter, Klüver says. It was the center of an experiment in artistic and personal freedom that changed the social history of art, "an open community supported by a network of dealers, galleries and collectors." The story he and Martin tell is not one "of struggle, starvation and neglect, but of acceptance and success."

The period was to become significant and mythical, with the result that the Montparnasse bibliography is enormous and extremely scatty. Klüver and Martin have approached the subject with extreme diligence — one elderly crony of Kiki was interviewed, poor thing, 45 times — and they have provided a directory, complete with maps, to the quarter.

The book tends also to read like a dictionary but the photographs compensate for this by their variety and sheer larkiness. The authors provide the precise measurements of Man Ray's studio and, given a photograph of a woman who had fallen fully-clothed into the sea, went to Saint-Tropez to find the exact spot where it was taken. So when Klüver says that he found, to his surprise, that Kiki's memoirs, written when she was 28, were accurate but for one or two dates, he must be believed.

Klüver and Martin chose Kiki as their focus because she was the ample hub of Montparnasse, its monument and most-loved figure. "In addition," Klüver says, "she represented the first wave of emancipated women who were on their own and didn't begin, like Coco Chanel, as someone's mistress. With her background she should have become a prostitute. That she didn't was the result of her own will and determination."

Kiki de Montparnasse, seen through Man Ray's lens.

Kiki was many men's mistress, most famously Man Ray's, but on the basis of appetite rather than interest. Born in poverty, she discovered Montparnasse in her teens when she lived with her first painter. When Libion, the owner of the Rotonde, refused her entrance to the back room because she was hatless, she fashioned a conical creation, the first of many self-decorations (Peggy Guggenheim later referred to "the remarkable hand-painted Kiki"), and never looked back.

"Montparnasse is a village that's as round as a circus," Kiki later wrote. "You get into it and you don't quite know how, but getting out again is not so easy."

Kiki was elected "queen" of Montparnasse in 1929, and 60 years later a play is running in Paris entitled "Kiki, Reine de Montparnasse, le Triangle Sacré."

Her language could be frightful and her behavior immoderate, but she was always good-humored and generous. Calder wanted to make a film with her — "She had a wonderful nose that just seemed to jut into space," he said — and Man Ray's films, even more than his more famous still pictures, show her cheerful carnality. Once, Man Ray gave her two Schiaparelli dresses, which she cut in half, sewing the opposite sides together, and another time she went to a George Antheil concert with her eyelids painted in triangles to match her triangular earrings.

Klüver and Martin began researching Kiki in 1978 when they thought of doing a TV miniseries on her, a project hampered by many problems, among them who on earth would play Kiki. Their next book is on the New York art scene from 1959-1962.

A Swedish-born research scientist, Klüver became part of the art world when he helped Jean Tinguely construct his Self-Destroying Machine, which combusted in the Sculpture Garden of New York's Museum of Modern Art in 1960. Soon other artists became fascinated by the new technology and Klüver, who was working for Bell Telephone Laboratories in New Jersey, found himself taking Robert Rauschenberg, Marcel Duchamp and John Cage on conducted tours.

This led to EAT (Experiments in Art and Technology), a foundation of which Klüver is president and which brings artists and scientists to work together. Klüver's continuing interest in combining art and technology is demonstrated in the Kiki book, which he laid out by computer, giving thanks in his preface to William Hewlett's HP-41 and to the Minolta EP410Z.

Although his book is focused on Kiki, Klüver says that only 20 percent of it is about her. His cast is huge, all centered on a small and well-publicized area in which bars and cafes served as shelters, employment agencies, love nests and chapels. The most famous bartender of the quarter, Jimmy Charters, said, "The intoxication was in the drinks but also in the spirit of freedom from all the conventions and ties that bound these people at home."

Kiki knew nothing of ties or convention but she knew, when she made her odd conical hat at 16 and gained entrance to Libion's Rotonde, that she had come home. "The artists adopted me," she later wrote. "End of sadnesses. I still often went hungry, but the good fun made me forget all that."

LANGUAGE

The Parlance of Diplomacy

By Alvaro de Soto

NEW YORK — Diplomats, like all practitioners of a specialized craft, have their own parlance, and in diplomacy, as elsewhere, things are not always what they seem.

The secretary-general's *good offices* is not a reference to the physical trappings of his working quarters. A person entrusted with good offices, or a *good officer*, is a channel of communication between parties to a dispute who are not on speaking terms. It is a catchall term, the functions of a good officer ranging from passing messages to brokering a cease-fire to negotiating a comprehensive peace agreement. As a rule, the officer does not make proposals to the parties in the formal sense and operates largely out of the limelight.

Good offices involve meetings with high-level interlocutors, usually foreign ministers. They are often held, wholly or in part, *tête-à-tête* — literally, in the language of Talleyrand, head-to-head or, according to current usage in the United States, one-on-one. At the United Nations, tête-à-tête means just that: No one present but the principals. We are, however, increasingly faced with the baffling question: "Who will join the S.G. as note-taker during the tête-à-tête meeting?"

As a professional diplomat, the S.G., as the secretary-general is frequently referred to, is perfectly capable of jotting down or dictating an accurate *note to the file*, known to my American colleagues as a *memcon* (memorandum of conversation). So a note-taker is not a must for him. Besides, total recall is practically a requirement for effective good officers. However, a note-taker at meetings can be helpful to the principals, and sometimes an interpreter is a note-taker in disguise.

But does a tête-à-tête remain one when note-takers are present? I won't quibble; after all, according to the Oxford English Dictionary, in 16th-century France, tête-à-tête didn't even have a friendly connotation; it referred to single combat. For meetings solely between the principals, I offer this suggestion, also from the French, *à quatre yeux*, roughly "four eyes only."

□

In a set-piece meeting, on the other hand, the principals will be accompanied by aides, who are referred to in the S.G.'s office as *insiders*. An insider is not necessarily "someone in the know." The word insiders, as we use it, refers to people actually inside the room where a meeting is held. Hence, insiders may know far less than outsiders in the know.

At the United Nations, diplomats and their assistants increasingly use a tool borrowed from the world of multilateral diplomacy: the *nonpaper*. This is an exploratory paper whose author wishes to remain anonymous or at least retain *deniability* until the chances of success of the proposal have been ascertained. Nonpapers are not circulated; they are gingerly floated. ("I just happen to have with me a nonpaper which attempts to reflect the idea which Your Excellency has so aptly expressed.")

I venture an educated guess as to the word's origins. Having sat in on countless *tête-à-têtes* and other meetings at the United Nations for more than 20 years, I would say that the expression was probably coined by a U.S. diplomat. My no-nonsense American colleagues seem partial to an economy of expression.

Confronted with an unpalatable formal proposal, not preceded by a nonpaper, a diplomat can reject it in a number of ways. He can address the issues raised. He can ignore it. Or he can give it *fin de non recevoir* — that is, deem it as having not been received.

When an agreement between parties to a conflict has been reached, however, the binding terms need to be recorded. Lest lightning strike one of the negotiators, ultimately all aspects of a deal should be committed to some form of record, at least a *final act*, perhaps an *exchange of notes*, ideally a sacrosanct *treaty*.

True diplomats set great store by the written word. Those with classical training quote the Latin *verba volant, scripta manent* — "words fly away, writing stays." Talleyrand, a stickler for thoroughness, is said to have been told by an exasperated aide about a fine point that the prince insisted on having reflected in a text: "*Mais Sire, cela va sans dire*" ("But Sire, it goes without saying"). To this, the prince replied: "*Cela va encore mieux en le disant*" ("It is even better to say it").

□

In addition to impartiality and honesty, people engaged in good offices must have the gift of good timing and a flawless sense of balance, if they are to avoid diving into an empty pool. In the S.G.'s office, we have, since the early 1980s, been consigning certain situations to the *empty pool* category — shorthand for cases in which it would not be advisable, or might be counterproductive, to attempt to assist in resolving a given dispute or conflict.

The expression made its first appearance in print in 1983. The occasion was the bicentennial of the Treaty of Paris, when Sir Brian Urquhart, the United Nations' peacekeeper extraordinaire, spoke at the Smithsonian Institution.

In a list of "some don'ts for workers for peace," he cited this: "Don't dive into an empty pool. This may create a temporary sensation, but it will leave you stunned and incapable of further action. It is equally inadvisable to dive into a pool of boiling water."

If it has been determined that there is sufficient water in the pool, and that its temperature is acceptable, *shuttle diplomacy* may at some point be warranted. The S.G. does a fair share of traveling. By White House or Fortune 500 standards, his journeys — often hastily arranged — are made on a shoestring budget. So I find it particularly apt that members of his entourage are referred to, regardless of rank, as *straphangers*.

In 1984, in Timbuktu, I first happened on the word straphanger, as applied to a member of the S.G.'s party. It was used by the personnel responsible for getting the principal and everyone in his party from point A to point B safely, at the appointed hour and with their baggage.

When I first overheard the term, I thought I detected a touch of sarcasm. As a straphanger, I felt more curious than insulted, however. The word is obviously borrowed from the world of mass transportation. The Concise Oxford Dictionary of Current English defines a straphanger as "a bus or train passenger who has to stand and hold strap for lack of sitting space."

Straphanger is far preferable to *hangers-on*, and in its allusion to the New York subway can be said to be part of the United Nations' homespun tribute to the city that hosts it in its inimitable way.

Alvaro de Soto, a Peruvian career diplomat, is executive assistant to Javier Pérez de Cuéllar, secretary-general of the United Nations. William Safire is on vacation.

ANNOUNCEMENTS

USADIRECT
CALLING THE STATES FROM OVERSEAS AS HAS NEVER BEEN EASIER WITH USADIRECT SERVICE

All you have to do is dial a number to be connected to an AT&T operator in the U.S.

AUSTRALIA 0014-881-011
AUSTRIA* 022-903-011
BELGIUM* 11-0010
BRAZIL 000-8010
BR. VIRGIN IS. 1-800-872-2881
DENMARK* 0430-0010
FINLAND* 9800-100-10
FRANCE* 19*-0011
GERMANY, FRG* 4 0130-0010
HONG KONG 008-1111
ITALY* 4 172-1011
JAPAN* 0039-111
NETHERLANDS* 06*-022-9111
NEW ZEALAND 000-911
NORWAY* 050-12-011
SWEDEN* 020-795-611
SWITZERLAND* 046-05-0011
UNITED KINGDOM 0800-89-0011

* Await second dial tone
1 Available on a trial basis only.
2 Available only from Milan and Rome
3 Not available from all locations.
4 Coin required for local access
There may be a silent delay of up to 30 seconds between dialing and operator response.
While in the USA dial 1-800-874-4000 Ext. 344 for more information.

AT&T
The right choice.
Cut out & save for easy reference

LONDON TRIP? Best seats available Phantom, Aspects of Love, Les Mis, Cats, Starlight etc. Book Now! on 01 388 1594

ANNOUNCEMENTS

TO OUR READERS VISITING FROM THE U.S.A.
THE IHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

Now printed by satellite transmission in New York the International Herald Tribune offers same-day home or office delivery in Manhattan, select areas of Washington D.C., Boston, Los Angeles, San Francisco and Miami.

Subscription copies are also flown directly to Atlanta, Chicago and Houston for speedy delivery.

In the U.S.A., call TOLL FREE 1-800-882-2884
In New York, call (212) 752-3890
or write International Herald Tribune 850 Third Avenue New York, N.Y. 10022 Telex: 427 175 Fax: (212) 755-8785

THE AMERICAN UNIVERSITY OF PARIS
PART TIME PROGRAM FOR ADULTS
CREDIT OR NON-CREDIT OPTION
Courses in Art History, Int'l Business Administration, & Social Sciences, beginning late Sept/early Oct. Call or stop by: 34 ave de New York, 75116 Paris Tel. 47.20.44.99.

INT'L HEALTH INSURANCE
For non U.S. residents
Comprehensive Blue Cross Plan
Accepted Worldwide. Low rates
Call Dave: 718-951-6957 USA
or Fax: 718-972-4080

U.S. Football Fans
Intense coverage of your teams - wherever you live. Send to: All Star Svce, 244 E. 3 St, Suite 4B20-449, NYC 10009

MILA SCHON. The most refined of all ties, in ZURICH exclusively at - WEINBERG's - leading men's store - 13, Bahnhofstr. 01-211 29 50

ALCOHOLICS ANONYMOUS English speaking meetings daily. Tel: PARIS 46 34 59 65 or ROME 678 0320.

PERSONALS

GRANT AND GRATITUDE! Who knows something about Leonid (Yaacov) Greenberg born in Russia in 1948 and emigrated to Israel in 1976? In May 1981 he left for Greece and his last known stay was Thessaloniki. Please send any information about him to his mother A. Greenberg 37/4 Ben-Gurion Street, Azor Israel.

MOVING

1992 - NOW!
interdean
INTERNATIONAL MOVERS
FOR A FREE ESTIMATE CALL
PARIS (1) 39569000

ALLIED VAN LINES
NICE, CANNES, MONACO, COMPAGNIE GENERALE
B.P. 40, 06021 Nice Cedex.
Tel: 93.21.35.72

MARTINI TECHNOTRANS - NICE / CANNES. Tel: 93.39.43.44. Overseas Moving - Storage - Packing - Air/Sea Shipping. Car/Baggage. Clearance.

REAL ESTATE FOR SALE

FRENCH PROVINCES

CAP MARTIN MONACO
200 sq.m. villa, 7 rooms, 2 bathrooms, washroom, pool, sauna, garden with automatic sprinkler, 1000 sq.m. land, EXCEPTIONAL VIEW. F4,500,000. Tel: 93.41.37.48.

PARIS & SUBURBS

20 KM FROM PARIS
ABLON (12 min. from RER C). Town center, charming Villa Meuliere, basement, furnished kitchen, shower room, bathroom, toilets, 2 beautiful bedrooms, 250 sq.m. garden. F1,180,000
ABLON IMMO
3 Ave. Auguste Duru, 94 ABLON. Tel: 45.97.10.74

20 KMS FROM PARIS
ABLON High standard building, view on the "Seine" 2 rooms, entrance, kitchen, toilets, shower room. FF 320,000
ABLON IMMO
3 av. Auguste Duru, 94 Ablon. Tel: 45 97 10 74

PIED A TERRE 8th, MONTAIGNE
Large studio 105 sq.m. A bargain at F8,000,000
AICI Tel: 47.27.26.23

PARIS AVENUE FOCH
Luxurious flat of 150 sq.m. 4th floor, recent building. FF 8,000,000.
IMMOREV 10 rue Marcel Renault 75017 Paris. Tel: 40.68.08.08.

AVE WAGRAM, 220 SQ.M.
+ balcony & maid's room. 4th fl., lift, entry + 6/7 rooms, kitchen, bath. ENTIRELY RENOVATED. Parking possible. (1) 42.67.36.69.

EXCEPTIONAL
House on Butte Montmartre on 4 levels, 5 bedrooms, equipped kitchen, view on Paris, garage, very sunny, charming. F6,000,000. 42.54.71.95

BLD SUCHET, Paris d'Auteuil. 1930 building, living, 2 bedrooms, on garden, open view, sun, calm. F2,395,000. Modern building 3/4 rooms, upper floor, view, sun. F3,000,000. 42.24.85.40

NEUILLY - 2 APARTMENTS with 5 rooms each, 1st and 2nd floor. Garden view both sides. South exposure, near lycée Pasteur, parking. FF 6.0 mio. each. Tel 60169198 & 46035820.

OVERLOOKING PLACE MADELEINE
200 sq.m., parking: F8,600,000.
TROCADERO: 300 sq.m. F11,000,000.
PARIS HABITAT: 42 26 42 00

BOULOGNE 2 ROOMS 40 sq.m. 2nd floor, stone building. F720,000. EMA - IMO: 42 50 48 27

USA RESIDENTIAL

60's East 4 Room Co-op NEW YORK CITY
Extraordinary security on Park Ave. and 63rd with full hotel services, wood burning fireplace & spacious living room. Both master bedroom & living room overlook Park Ave. Silent 2nd bedroom or study. 2 baths, large foyer, small kitchen. Exceptional buy. Please contact 809-776-7500 in the Virgin Islands.

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN

KNIGHTSBRIDGE & KENSINGTON Oxbridge apartments from £150 per week. Luxury serviced flats. Tel: 01 373 7510 Fax: 01 723 7007.

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN

LONDON LUXURY apartments in all central areas, including Mayfair + Knightsbridge. Minimum stay 3 nights, cheaper than luxury hotel. Discount for longer stays. Driver will meet your flight at Gatwick or Heathrow. M P Estates. Tel (1) 499 2154 anytime.

MONACO

CENTER OF MONTE CARLO
SUPERB 3-ROOM APARTMENT
For rent in a luxurious residential building, opposite the Casino: 216 sq.m., fully equipped kitchen, 2 bedrooms, 2 bathrooms, 1 cellar, 2 parking spaces, balcony offering wonderful views of the Casino gardens and the Mediterranean.
For further details please contact
AGEDI
26 bis, Bd Princesse Charlotte MC 98000 MONACO
Tel: 93.50.66.00 Telex: 479 417 MC Fax 93.50.19.42

PARIS AREA FURNISHED

Rent a FLAT or an OFFICE in Paris. By day or more
With all possible hotel services
Housekeeping, room service...etc
Studio up to 5 rooms,
FLATOTEL TOWER
on the River Seine, right beside the Eiffel Tower.
FLATOTEL EXPO a few meters from the exhibition center Porte de Versailles.
For more information Call 45 77 05 55

LATIN QUARTER, 110 sq.m. Living + 2 bedrooms, 2 baths, sunny, quiet. F16,900 net. Tel: Owner 47 02 48 66.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

A NEW WAY OF STAYING IN PARIS
LE CLARIDGE
FOR 1 WEEK OR MORE
high class studio, 2 or 3-room apartments. FULLY EQUIPPED
IMMEDIATE RESERVATIONS
Tel: (1) 43 59 67 97

16th, MURABEAU
VIEW ON SEINE AND EIFFEL TOWER
Superb apartment, 7th floor, lift, double reception, 3 bedrooms, 2 baths + parking + maid's room. HIGH CLASS FURNITURE & DECORATION. F25,000/month net. Details by appointment only. S.F.C.M.I. Tel: 45 67 92 78

AGENCE CHAMPS ELYSEES
11, rue de Colisee, Paris 8th
Renting from studio to 5 rooms
Residential areas. Long or short term.
TEL: 42.25.32.25

AT HOME IN PARIS
SHORT OR LONG TERM
apartments for rent furnished or not
PARIS PROMO
Estate Agent - Property Manager
25 Ave Hoche, 75008 Paris. 45 63 25 60

INTER URBIS
UNFURNISHED/FURNISHED RENTALS
FLATS & HOUSES FOR SALE
31 rue de Marignan, Paris 8th.
Tel: 45 63 17 77

PARIS BIENVENUE. Furnished studios & apartments in central Paris, nightly, weekly, monthly. Chauffeur available to & from airport. 47 53 80 81.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

ST CLOUD, HILLTOP FLAT 90 sq.m. Redone. 3-rooms, 10th fl., 2 lifts, panoramic view. Refs required. FF 7,200/month net. Tel: (1) 47.33.03.76.

Embassy Service
8 Ave. de Messine 75008 Paris
YOUR REAL ESTATE AGENT IN PARIS
45.62.30.00
FAX 42.89.21.54

REAL ESTATE TO RENT/SHARE

PARIS AREA UNFURNISHED

AVE MONTAIGNE
Luxury apartment. Living room, bedroom, etc. FF26,000/mo. Long lease preferred. Tel: Paris 47.20.56.08 mornings

RESIDENCE CITY
THE VERY BEST RENTALS
Phone Paris 45 27 12 19

9TH - FBG. POISSONIERE In 130 sq.m. apartment, 20 sqm. room to rent, bathroom, includes breakfast. Possibility to cook & use facilities. Tel. 48786625.

ILE ST. LOUIS, LUXURIOUS STUDIO, completely equipped with maid. Telephone: 46 34 19 25.

HIGH STANDARD furnished apartments, best areas from 3 months to 3 years. Exclusive Tel: 47.53.86.38

16TH RUE DE BASSANO: lovely 3 rooms, kitchen, washing, 2 baths. F7000 net. Tel: 45 53 23 22

PARIS AREA UNFURNISHED

REAL ESTATE WANTED/EXCHANGE

THE AMERICAN UNIVERSITY OF PARIS
Needed immediately: Rooms with families, independent studios and apartments. Call: 45 55 91 73 ext. 260. Write: AUP, Housing Office, 65 Quai d'Orsay, 75007 Paris.

EMPLOYMENT

EXECUTIVES AVAILABLE

BILINGUAL AMERICAN, based in Paris. European experience in Import-Export/Marketing/Public Relations for consumer goods. Excellent communicator. Seeks Int'l marketing position with forward-thinking firm. Willing to relocate. Reply to: Box 1051, Herald Tribune, 92521 Neuilly Cedex, France.

GENERAL POSITIONS AVAILABLE

NATIVE ENGLISH SPEAKER NEEDED for full-time editorial and computer work, with Paris based international book publishing company. Phone Paris: 45.44.21.30.

GENERAL POSITIONS WANTED

EEC NATIONAL, ex-model, speaking Scandinavian, French, English seeks work in real estate agency in California. Also interested in model agency or film work. Background: Executive secretary, translating, teaching, bank, real estate sales. Degree in business. Reply Box 1050, Herald Tribune, 92521 Neuilly Cedex, France.

JEUNE HOMME DYNAMIC, francais, americain, cherche fabricant francais de cadeaux, parfums, pret a porter etc. pour exporter aux USA en Floride. Dejà 5 ans d'experience. Envoyer proposition a M. McGary, 98 rue Ordener, 75018 Paris.

12 YRS EDITORIAL experience: reading, rewriting, correction, translations (French to English) of literary texts, articles, scenarios. Paris 40161316

PROFESSIONAL US WRITER, Yale MA, Paris based, seeks assignments creative editing, rewriting. Reply IHT, Box 1043 - 92521 Neuilly Cedex, France.

YOUNG LADY seeks well paid temporary position as Personal Assistant in London. Tel: UK 0860 220488

EDUCATIONAL POSITIONS AVAILABLE

EFL TEACHERS REQUIRED for company work in Paris area. Full or part time contracts. Good pay and conditions. Must have valid working papers. Phone: Formation et Communication 42 46 05 92.

EXPERIENCED DYNAMIC ENGLISH teacher needed. Possible full time position in October. Valid working papers, good spoken French. Phone: Diamond School, Paris 45 07 22 22.

ECOLE DE LANGUE RECHERCHE professeurs d'Anglais, Francais, Espagnole et Japonais pour cours de langues commerciale. Paris 4766 0099

AUTO SHIPPING

TRANSCAR 17 av de Friedland, 75008 Paris. Tel 4225 6444, Nice 9321 3550. Antwerp 233 9985. Cannes 9339 4344

AUTOS TAX FREE

TRASCO BREMEN Mercedes + Audi Armored cars & stretched limousines from stock. Stenzelstrasse 38, D-2820 Bremen 77 Germany. Tlx 246624. Fax (0)421/632205. Tel: (0)421/633044.

AUTOS TAX FREE

TRASCO BREMEN. Tax free new and used Alfa, Audi, BMW, Ford, Mercedes, Opel, Porsche, Volkswagen, Volvo. Steinsdamm 38, 2820 Bremen 77, Germany. Tlx 244624. Fax (0)421/632205. Tel: (0)421/633044.

AUTO SERVICES

LICENSE PLATES expired Fast solution Penshon BCM Box 49, LONDON WC1N 3XX. Tel: 1-4045011 Fax 1-8469913. We insure any car at once.

HEALTH/MEDICAL SERVICES

THERAPY FOR BODY ACHES Expert Swedish and Shiatsu to soothe and relax you. Tel: 212-768-7484 NYC

LOW COST FLIGHTS

ACCESS VOYAGES

	One Way	Round Trip
New York	F1000	F2000
San Francisco	F1590	F3180
Los Angeles	F1590	F3180
Atlanta	F1795	F3590
Dallas	F1795	F3590
Chicago	F1400	F2800
Miami	F1490	F2980
Washington	F1560	F2920
Montreal	F1000	F1890
Vancouver	F2250	F4095
Rio de Janeiro	F3195	F5150
Bali	F4095	F6550
Tokyo	F2990	F6750
Caribbean	F1690	F2780

and more destinations ...
Discount on 1st & business class
Rates subject to modifications
Restrictions may apply
Tel: (1) 40.13.02.02 & 42.21.46.94
6 rue Pierre Lescot, 75001 Paris
Metro - RER Chatelet Les Halles (Lic. 1.75.111)...and also
ACCESS IN LYONS
Tour Credit Lyonnais, 129 rue Servient 69003 Lyon. Tel: (16) 78 63 67 77
Book now by phone with credit card

LOW COST FLIGHTS

WORLDWIDE scheduled departure at the lowest ever discounts economy or 1st class airfare. Credit cards possible. Paris: 43 59 39 13 or Fax: 42 56 25 82

BOOKS

BOOKS IN PRINT: CD'S: SOFTWARE You can fill all your needs with one letter or FAX to us. BTS WORLDWIDE, Box S, 15 Walden St, Concord, MA 01742 or FAX (508) 369-0501

EDUCATION

PRIVATE TUTOR IN PARIS, retired, takes under his responsibility children with difficulties (10-15 yr.) from Oct. 1. Tel: (16) 46.29.02.35.

Page 4 FOR MORE CLASSIFIEDS

TODAY'S INTERNATIONAL SECRETARIAL POSITIONS appear on PAGE 6 and CAREER OPPORTUNITIES on PAGE 7

INTERNATIONAL CLASSIFIED

International Business Message Center

ATTENTION EXECUTIVES
Publish your business message in the International Herald Tribune, where more than a third of a million readers worldwide, most of whom are in business and industry, will read it. Just telex us (Paris 613595) before 10 a.m., ensuring that we can telex you back, indicate which major credit card you wish to charge it to, the number and expiration date, and your message can appear within 48 hours. Please also include your address and telephone number for our files.

BUSINESS OPPORTUNITIES

ATHENS - GREECE
• 10 million U.S. dollars
Edible Oils and Fats Co.
• Complete sales network
• throughout the country
Annual growth over 35%
seeks international partner to further develop its rapidly expanding business.
For information, telex: 211801 SARL GR, Fax: 4824689

FRANCHISE AMERICA
offers opportunities to invest in restaurant, dry-cleaning, automotive, clothing and real estate. Green card possibility. Fax: 31-20-206878

MEDICAL & ACCIDENT INSURANCE
Policy required by diplomatic mission in Egypt for over 1000 employees. Deadline for offer submission 25.9.89. For receipt of solicitation 89-19-S-021 & further information, please FAX: (2) 02-355-4353 or TEL. (2) 02-357-3120.

SUCCESSFUL USA AIRLINE CO. needs $15 million for expansion. 15% interest paid for 5 years. Interest & repayment guaranteed with US government securities. Tel: 713-789-2500 or FAX: 713-621-3038 USA

BUSINESS OPPORTUNITIES

OFFSHORE & UK COMPANY FORMATION
Compare our fees.
• UNITED KINGDOM £100.
• IRISH (NON-RES) £150
• GIBRALTER £250
• ISLE OF MAN £250.
• HONG KONG £250.
• TURKS US$750
Free explanatory booklet from:
Jon Stonach BA
INTERNATIONAL COMPANY SERVICES LIMITED
Sovereign House, Station Road, St Johns, Isle of Man
Tel: (0624) 71881
Fax: (0624) 71800
Telex: 628554 ICSIOM G

INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US$150
Comprehensive professional services include nominees, Representative offices, Powers of attorney, telex, telephone Fax, mail forwarding worldwide
Island Resources
National House, Sexton, Isle of Man.
Phone: (0624) 824455
Tlx 628552 Island G. Fax: (0624) 823949

OFFSHORE COMPANIES
• Free professional consultations
• Worldwide incorporations
• Immediate availability
• Full confidential services
• London representative
• Full administration services
Aston Company Formation Ltd, 19 Peel Rd, Douglas, Isle of Man Tel 0624 26591 Tlx 627691 ASTON Fax 0624 25126

BUSINESS OPPORTUNITIES

EAST EUROPEAN BUSINESS opportunities, free bulletin is available. Write about the area of your interest. DESA Gesbit, POB 12023 (Pebble), 00136 Rome, Italy.

HONG KONG CORP., $360. Annual cost $315. SE Ltd. 701, 35 Queen's Rd, HK. Tlx 83870, Fax: 852-5-8402217.

2ND TRAVEL DOCUMENTS. Id's-Drivers Licenses/Degrees/Any Country. GM 26 Kleomenou, Athens 10675 Greece

BUSINESS SERVICES

EDINBURGH, SCOTLAND. Private address receiving and forwarding of mail service in strict confidence. Contact George Caroline (031) 444 2920. Efficient and responsible service $50/month or $500/year.

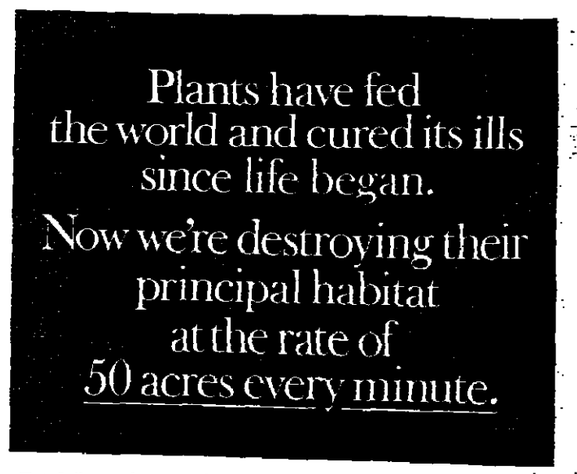
LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex, Conference room. Call 01-499-9192. Tx 262690.

COMMERCIAL PREMISES

PRINCIPALITY OF MONACO
A CHANCE NOT TO MISS
FOR SALE: Shop lease with licence to sell paints, all household items, wicker work, crystal, stationery etc...
ESTABLISHED SINCE 1945
100 meters of selling surface, plus two stores of 20 meters each.
Total of 140 sq.m.
The lease includes a very convenient adjoining apartment. One bedroom, 25 sq.m., one hall: 20 sq.m., one hall: 6 sq.m., one kitchen: 25 sq.m., two bathrooms. Total of 76 sq.m.
ALL FULLY FURNISHED
PRICE: FF 2,200,000.
Call Mr. Alexander, 93.30.42.19

FINANCIAL INVESTMENTS

INTERNATIONAL TV FILM/MUSIC Project close to culmination needs £100,000 to hit artistic & financial success. Tax deductible for USA. Tel/London 01 730 8906.



We live on this planet by courtesy of the earth's plant-life. Plants protect soils from erosion, regulate the atmosphere, maintain water supplies and prevent deserts forming. Without plants man could not survive.

Yet, we're destroying the tropical rain forests they grow in at the rate of 50 acres a minute – making a crisis for ourselves and a bigger one for our children.

What can be done about it?
A practical international plant conservation programme is now well under way all around the world. It is a plan for survival which you can help make a reality by joining the World Wide Fund for Nature.

We need your voice and financial support. So get in touch with your local WWF office, or send your contribution direct to the World Wide Fund for Nature at:
WWF International, CH-1196 Gland, Switzerland.

Save the plants that save us.
WWF FOR WORLD CONSERVATION

WWF acknowledges with thanks the donation of this space by International Herald Tribune
Advertisement prepared as a public service by Ogilvy & Mather

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.